

# ADDITIONAL ITEM

11 May 2016  
To the Ordinary Council Meeting

Director's Report  
Chief Executive Officer's Unit

## 4.7 Determination of Water Supply, Sewerage and Drainage Fees and Charges 2016- 2017

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TRIM REFERENCE: F2004/06782 - D12319390

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### **SUMMARY**

This report details the proposed Water Supply, Sewerage and Drainage Fees and Charges for 2016-17.

### **RECOMMENDATION**

- 1 That Council approve the water, sewerage and drainage Fees and Charges set out in Attachment 1.**
- 2 That Council note the amount of revenue to be raised by way of Service Charges is estimated at \$51,491,000.**
- 3 That Council classify all land for the purpose of levying Services Charges according to the following factors:**
  - a whether the land is residential or non residential;**
  - b where the land is residential, by the intensity of the use of the land; and**
  - c the nature and extent of the water or sewerage services connected to each individual allotment.**
- 4 That Council determine the Service Charges shall be levied in accordance with the Water Management Act 2000.**

### **BACKGROUND**

Council is a water supply authority under the Water Management Act 2000.

Section 315 of the Water Management Act 2000 requires Council to determine water, sewerage and drainage service charges no later than one month before the beginning of each charging year. Council's charging year starts 1 July 2016.

Council's water, sewerage and drainage charges are also subject to approval by the Minister for Primary Industries following determination by the Independent Pricing and Regulatory Tribunal (IPART).

On 14 May 2013 IPART made a four year determination concerning Council's water, sewerage and drainage charges, covering the period 1 July 2013 to 30 June 2017.

#### 4.7 Determination of Water Supply, Sewerage and Drainage Fees and Charges 2016- 2017 (contd)

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The service charges included in this recommendation are calculated in accordance with the determination.

A component of the price calculation formula is the increase in the Australian Consumer Price Index (CPI) from March 2013 to March 2016, published by the Australian Bureau of Statistics.

#### CURRENT STATUS

Proposed prices contained in the Wyong Shire Council Draft Strategic Plan 2016-2017 on exhibition were calculated using the official increase in CPI.

The following table summarises the Fees and Charges for 2016-17 and shows a comparison to those levied in 2015-16 for a typical residential ratepayer who consumes 160kL of water per year.

#### Comparison Charges: 2015-16 to 2016-17 based on a typical residential ratepayer

	2015-16 Charges	2016-17 Charges	Increase 2015-16 to 2016-17	% Increase 2015-16 to 2016-17	Draft 2016-17 Strategic Plan
Water Service Charge	\$ 166.87	\$ 164.63	-\$ 2.24	-1.3%	\$ 164.63
Water Usage (160KL)	\$ 361.60	\$ 366.40	\$ 4.80	1.3%	\$ 366.40
Sewerage Service	\$ 477.03	\$ 483.28	\$ 6.25	1.3%	\$ 483.28
Drainage Service	\$ 118.14	\$ 128.32	\$ 10.18	8.6%	\$ 128.32
<b>Total</b>	<b>\$ 1,123.64</b>	<b>\$ 1,142.63</b>	<b>\$ 18.99</b>	<b>1.7%</b>	<b>\$ 1,142.63</b>

#### CONCLUSION

The estimated revenue to be raised from Water, Drainage and Sewer Service Charges based on the IPART Determination for 2016-17 is \$51,491,000.

IPART determines the methodology and limits of calculating Service Charges for water, sewerage and drainage.

Council staff have complied with all requirements pertaining to the setting of new Service Charges. Adoption by Council is required to formalise the revenue source.

#### ATTACHMENTS

- 1 2016-17 Water, Sewerage and Drainage fees and charges D12318838

## Water, Sewerage and Drainage Charges for 2016-17

Wyong Shire Council's water, sewerage and drainage services and a number of its associated ancillary services are declared monopoly services under Section 4 of the *Independent Pricing and Regulatory Act*.

Council's prices must therefore be set in accordance with any IPART determined methodologies and/or maximum prices, and are subject to approval by the relevant Minister.

All prices for water, sewerage, drainage and ancillary services for 2016-17 have been calculated in accordance with IPART's Water Determination May 2013 and the IPART prescribed CPI calculation methodology based on the increase in the Consumer Price Index from March 2013 to March 2016.

### 1. Water supply service charges

Council levies the water supply service charge on the owners of all properties for which there is an available water supply service. This covers the full cost of supplying water.

For those properties that become chargeable or non-chargeable during the year a proportional charge or fee calculated on a daily basis is applied.

The proposed water supply service charges for 2016-17 are as follows:

Meter type / size	2016-17 Charge
Residential property service charge	\$164.63
Multi Premises	\$164.63
Water availability	\$164.63
Unmetered properties	\$577.49
Non Res single 20mm	\$164.63
20mm meter	\$146.02
25mm meter	\$228.15
40mm meter	\$584.09
50mm meter	\$912.63
80mm meter	\$2,336.34
100mm meter	\$3,650.54
150mm meter	\$8,213.70
200mm meter	\$14,602.14
Non specified pipe / meter size	(meter size) <sup>2</sup> / 625 x \$228.15

The total yield in 2016-17 from this charge is expected to be \$11,411,000.

### 2. Water usage charges

In addition to the water supply service charge, all potable water consumed will be charged at \$2.29 per kilolitre.

Where water usage relates to multiple financial year periods the usage will be apportioned to each period on a daily average basis and the applicable period's water usage charge will be applied.

The total yield in 2016-17 from this charge is expected to be \$29,058,000.

### 3. Sewerage supply service charges

Council levies this charge to cover the cost of supplying sewerage services on all properties for which there is a sewerage service either connected or available.

Non Residential properties will be levied a sewerage service charge based on meter size and a sewerage usage charge. Where the sum of these charges is less than the non-residential minimum sewerage charge, the non-residential minimum will be charged instead.

A discharge factor in accordance with Council's Trade Waste Policy is applied to the charge based on the volume of water discharged into Council's sewerage system.

Meter type / size	2016-17 Charge
Residential property service charge	\$483.28
Multi Premises	\$483.28
Sewer availability	\$483.28
Non-residential property service charge	\$483.28
20mm meter	\$284.16 x DF
25mm meter	\$443.99 x DF
40mm meter	\$1,136.61 x DF
50mm meter	\$1,775.95 x DF
80mm meter	\$4,546.43 x DF
100mm meter	\$7,103.80 x DF
150mm meter	\$15,983.55 x DF
200mm meter	\$28,415.20 x DF
Non specified pipe / meter size	(meter size) <sup>2</sup> / 625 x \$443.99 x DF

The total yield in 2016-17 from this charge is expected to be \$31,520,000.

#### 4. Sewerage Usage Charges

There is no sewer usage charge payable by residential properties.

For non-residential properties, a discharge factor based on the type of premises is applied to the assessed volume of water purchased from Council to determine the volume discharged to the sewerage system.

Sewage discharged into the sewerage network will be charged at \$0.83 per kilolitre.

The total yield in 2016-17 from this charge is expected to be \$370,753.

#### 5. Recycled Water

Supply of reticulated tertiary treated sewerage effluent, except when covered by an individual agreement, will be charged at \$1.15 per kilolitre.

#### 6. Water supplied to Hunter Water Corporation

Water supplied to the Hunter Water Corporation will be charged at \$0.66 per kilolitre.

#### 7.

### Drainage Service Charges

This charge is levied by Council for the provision of drainage services, and covers the cost of maintaining the Shire's drainage network.

Meter type / size	2016-17 Charge
Residential property service charge	\$128.32
Multi premises	\$96.24
20mm meter	\$128.32
25mm meter	\$200.50
40mm meter	\$513.28
50mm meter	\$802.01
80mm meter	\$2,053.14
100mm meter	\$3,208.03
150mm meter	\$7,218.05
200mm meter	\$12,832.09
Non specified pipe / meter size	$(\text{meter size})^2 / 625$ x \$200.50

The total yield in 2016-17 from this charge is expected to be \$8,560,000.

### 8. Interest on overdue charges

In accordance with Section 356 of the Water Management Act 2000 Council charges interest on all overdue charges which remain unpaid after they become due and payable. Interest will be calculated on a daily basis using the simple interest method. The rate of interest applied to overdue charges levied under the Water Management Act 2000 will be the maximum rate of interest allowable under that Act calculated on the RBA cash rate plus 6% - currently 8% p.a.

**Pricing for water, sewerage and drainage service and usage charges for each property type is as follows:**

Property Type	Water Service Charges	Water Usage Charges	Sewer Service Charges	Sewer Usage Charges	Drainage service charges
Metered residential properties with individual meters, excluding: <ul style="list-style-type: none"> <li>• Strata title properties</li> <li>• Company title dwellings</li> <li>• Community development lots</li> <li>• Retirement villages</li> </ul>	The owner of each property, lot or unit is levied the residential property water service charge	The owner of each property will be levied for water passing through its meter	The owner of each property, lot or unit is levied the residential property sewer service charge	No charge	The owner of each property is levied the residential property drainage service charge
Metered residential properties with common meters: <ul style="list-style-type: none"> <li>• Strata title properties</li> <li>• Company title dwellings</li> <li>• Community development lots</li> </ul>	The owner of each property, lot or dwelling will be levied the residential property water service charge	Usage through a common meter will be apportioned by unit entitlement and charged to the owner of each property, lot or dwelling at the 2016-17 rate	The owner of each property, lot or unit is levied the residential property sewer service charge	No charge	The owner of each property, lot or unit is levied the multi premises property drainage service charge
Retirement villages with common meters	Non-residential service charges will apply, and are based on the size of the meter	Usage through a common meter will be charged at the 2016-17 water usage rate	Non-residential service charges will apply, and are based on the size of the meter and the applicable discharge factor. Where this is less than the non-residential minimum, this will be charged instead	Estimated sewage discharged to the sewerage system will be charged at \$0.83 per kilolitre	The multi premises drainage service charge will apply
Non-residential properties with single individual 20mm meters	The owner of each property, lot or unit is levied the non-residential single 20mm water service charge	The owner of each property will be levied for water passing through its meter	The owner of each property, lot or unit is levied the Non-residential property service charge	No charge	The drainage service charge will apply and is based on the size of the water meter

Property Type	Water Service Charges	Water Usage Charges	Sewer Service Charges	Sewer Usage Charges	Drainage service charges
Non-residential properties with meters of 25mm or greater or multiple meters of any size	The owner of each property, lot or unit is levied the non-residential service charge based on the size on the meter(s) apportioned according to the number of lots or units the meter(s) service	The owner of each property will be levied for water passing through its meter. Usage through a common meter will be apportioned by unit entitlement and charged to the owner of each property, lot or dwelling	Non-residential service charges will apply, and are based on the size of the meter(s) apportioned according to the number of lots or units the meter(s) service	Estimated sewage discharged to the sewerage system will be charged at \$0.83 per kilolitre	The drainage service charge(s) will apply and is based on the size of the water meter(s)
Vacant land	Land that is not connected to the water supply, but can reasonably be connected will be levied the availability charge	No charge	Land that is not connected to the sewerage system, but can reasonably be connected will be levied the availability charge	No charge	No charge
Miscellaneous multi premises (a Residential Multi Premises or Mixed Multi Premises that is not a Retirement Village, Strata Title Building or Company Titled Building)	The owner of each property, lot or dwelling will be levied the multi premises property water service charge for each property within the multi premises	The owner of each property will be levied for water passing through its meter	The owner of each property, lot or dwelling will be levied the multi premises property sewer service charge for each property within the multi premises	No charge	The multi premises drainage service charge will apply

### 9. Liquid Trade Waste Charges

Liquid trade waste means all liquid waste other than sewage of domestic nature.

Liquid trade waste charges categories and charging components are as follows:

Liquid trade waste discharge category	Application fee	Annual trade waste fee	Reinspection fee	Liquid trade waste usage charge / KL	Excess mass charges / kg	Non-compliant excess mass charges / kg
<b>Category 1</b> Dischargers conducting an activity deemed by Council as requiring nil or minimal pre-treatment equipment, whose effluent is well defined and low risk to the sewerage system. Volume of discharge is low. Also included are activities with prescribed pre-treatment but low risk	\$52.19	\$91.29	\$85.60	No charge	No charge	No charge
<b>Category 2</b> Dischargers conducting an activity deemed by Council to require a prescribed type of pre-treatment equipment and whose effluent is well characterised. Volume of discharge is up to 20 KL per day.	\$66.43 Includes primary treatment device	\$365.16	\$85.60	Compliant \$1.71 / KL  Non-compliant \$14.59 / KL	No charge	No charge
<b>Category 3</b> Dischargers conducting an activity which is of an industrial nature and/or which results in discharge of large volumes (over 20 KL/day) of liquid trade waste to the sewerage system.	\$1,018.90 Includes two site visits during construction	\$613.39	\$85.60	No charge	Refer attached Schedule of Fees	Refer attached Schedule of Fees
<b>Category 4</b> Dischargers conducting an activity of transporting and/or discharging septic tank waste, pan waste and ship to shore pump-outs into the sewerage system. Private pumping stations are included in this category.	Residential \$54.87  Non-residential \$221.85 Includes one inspection	Residential \$48.78  Non-residential \$99.09	\$85.60	No charge	No charge	Charged to private pumping stations only – in accordance with attached Schedule of Fees



In addition to the substances listed above, excess mass charges will apply per kilogram of waste discharged in excess of the Liquid Trade Waste Policy Guideline Acceptance Limits. Non-compliant excess mass charges will apply for trade waste discharged in excess of the Liquid Trade Waste Approval Limit. The nominated charges are applied in accordance with the formulas contained in Council's Liquid Trade Waste Policy.

### Excess Mass Charges

Pollutant	2016-17 Charge Per KL
Aluminium (Al)	0.71
Ammonia (as Nitrogen)	0.76
Arsenic (As)	71.53
Barium (Ba)	35.78
Biochemical Oxygen Demand	0.76
Boron (B)	0.71
Bromine (Br <sub>2</sub> )	14.59
Cadmium (Cd)	331.15
Chloride	-
Chlorinated Hydrocarbons	35.78
Chlorinated Phenolics	1,457.09
Chlorine (Cl <sub>2</sub> )	1.46
Chromium (Cr)	23.84
Cobalt (Co)	14.59
Copper (Cu)	14.59
Cyanide	71.53
Fluoride (F)	3.56
Formaldehyde	1.46
Grease and Oil	1.36
Herbicides/defoliant	715.31
Iron (Fe)	1.46
Lead (Pb)	35.78
Lithium (Li)	7.17
Methylene Blue Active Substances (MBAS)	0.71
Manganese (Mn)	7.17
Mercaptans	77.03
Mercury (Hg)	2,384.35
Molybdenum (Mo)	0.71
Nickel (Ni)	23.84
Nitrogen (N)	0.18
Organoarsenic compounds	715.31
Pesticides general (excludes organochlorines and organophosphates)	715.31
Petroleum Hydrocarbons (non-flammable)	2.40
pH	0.42
Phenolic compounds (non-chlorinated)	7.17
Phosphorus	1.46
Polynuclear aromatic hydrocarbons (PAH's)	14.59
Selenium (Se)	49.78
Silver (Ag)	1.42
Suphate (SO <sub>4</sub> )	0.14
Sulphide (S)	1.46
Sulphite (SO <sub>3</sub> )	1.46
Suspended solids	0.97
Thiosulphate	0.27
Total dissolved solids	7.17
Tin	0.04
Uranium	7.71
Zinc (Zn)	14.59

The total yield in 2016-17 from trade waste fees and charges is estimated to be \$1,007,000.

It should be noted that Trade Waste Charges apply in addition to sewer service charges. Where properties discharging Liquid Trade Waste become chargeable or non-chargeable for a part of the financial year a proportional charge calculated on a weekly basis is to apply.

### 10. Ancillary and Miscellaneous Charges

Item	2016 -17 Charge
Conveyancing Certificate Statement of outstanding charges	19.87
Property Sewerage Diagram Diagram showing location of the house-service line, building and sewer for a property	56.34
Service Location Diagram Location of sewer and/or water mains in relation to a property's boundaries	19.87
Special Meter Reading Statement	60.94
Billing Record Statement Up to and including 5 years Further back than 5 years	19.87 19.88 for first 15 mins 13.28 per 15min thereafter
Water Reconnection During business hours Outside business hours	41.08 169.54
Workshop test of water meter If the meter is faulty, no fee is charged Up to 80mm Over 80mm	203.99 By quote
Application for disconnection (all sizes)	34.42
Physical disconnection (all sizes)	134.40
Application for water service connection (all sizes)	34.42
Physical connection Meter only 20mm Short or long service 20mm Short or long service 25mm Short service 40mm Long service 40mm Short service 50mm Long service 50mm Larger services – provision of live main connection only	116.57 707.34 858.37 1,613.40 2,144.59 2,302.20 2,838.68 By quote
Standpipe Hire – Security Bond 25mm 63mm	419.91 808.02
Standpipe Hire – Annual Fee	Water service charge pro-rated for applicable part of the year
Backflow prevention device Application and registration fee	70.21
Major works inspection fee (\$/metre) For the inspection, for the purposes of approval of water and sewer mains, constructed by others, that are longer than 25 meters and/or greater than 2 metres in depth. Water main Gravity sewer main Rising sewer main	6.10 8.14 6.10
Statement of available pressure and flow	134.86

Item	2016 -17 Charge
Underground plant locations Council assists in on-site physical location. Customer provides all equipment required to expose asset  Council undertakes on-site physical location. Council provides all equipment and labour.	81.46 for first hour 19.86 / 15mins thereafter  135.76 for first hour 33.77 / 15mins thereafter
Plumbing and Drainage inspection fee Residential single dwelling, villas and units Alterations, caravan & mobile homes Commercial and industrial  Additional inspections	164.25/unit 82.76/permit 164.25/unit +47.05/water closet 60.93/inspection
Relocate existing stop valve or hydrant Price exclusive of plant hire, material costs and traffic control	135.76 for first hour 33.77/15 min thereafter
Raise/lower/adjust existing services A height adjustment with lateral movement no more than 2 meters from existing location 20mm only – no materials Over 20mm – requires materials	136.45 By quote
Relocate existing services Where the lateral adjustment exceeds those above Short 20mm Long 20mm Larger than 20mm	344.40 536.48 By quote
Water Sample Analysis	82.76
Alteration from dual service to single service 20mm service only	411.98
Sewerage junction cut-in (150mm) No excavation, no concrete encasement removal, no sideline, junction within property.	304.66
Sewerage junction cut-in (150mm) – sideline less than 3m No excavation, no concrete encasement removal, junction outside property	319.11
Sewerage junction cut-in (225mm) No excavation, no concrete encasement removal, no sideline, junction within property.	712.88
Sewerage junction cut-in (225mm) – sideline less than 3m No excavation, no concrete encasement removal, junction outside property	752.62
Sewerage junction cut-in (over 225mm or where excavation or removal of concrete encasement required by Council) Price exclusive of plant hire charges, materials and traffic control.	135.76 first hour 33.77/15 min thereafter
Sewer main encasement with concrete Encasement inspection fee – construction not undertaken by Council Construction by Council	102.89 By quote
Raise and Lower Sewer manholes (over 300mm) There is no charge for adjustments less than 300mm Manhole Inspection fee Actual physical adjustment	113.25 By quote
Septage and Septic effluent discharge charge (per KL) Licensed contractors dispose of septage and effluent wastewater from domestic onsite sewerage systems and sewer pumping stations at Council's sewer treatment sites.	17.12
Development investigation fees Major developments (Category 1) Minor developments (Category 2) Class 1 and 10 developments (Category 3)	650.59 274.86 80.48