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Your submission for this review:

After being part of Council's 2036 Water Strategy, I drew the conclusion that Council's existing water and sewer infrastructure was in a poor condition and would require ongoing upgrade. In the Tuggerah Lakes Expert Panel report tabled earlier this year, they suspect that sewer leakage is contributing to the high nutrient load and water quality degradation through groundwater seepage. One example was the contaminated groundwater at south Canton Beach which may be coming from the Toukley Sewage Treatment Plant. Attached are questions related to who pays if there are shortfalls in Developer's contribution for new subdivisions.

CENTRAL COAST COUNCIL

IPART Review of Water and Sewer Rates for 2022

Who pays for additional water and sewer infrastructure for a growing population ?

IPART states that when they set water and sewer prices they make sure that the revenue raised by Council, takes into consideration Developer's contributions for the new infrastructure.

According to IPART, this can ensure that existing customers do not contribute to the costs of water and sewer assets that service a new development.

Once Council receives an application, Council staff will investigate the impact of the development on the water and sewer systems and will outline the charges and/or works that the Developer must pay and/or construct for the development.

A case study, detailed below, outlines the up front Developer's contributions for additional water and sewer infrastructure for a new residential development. However, do these charges cover the full cost of providing additional water and sewer services and stormwater maintenance for the next 50 years ?

The charges are defined in Council's Development Servicing Plans (DSPs) and follow an IPART methodology that is based on \$/Equivalent Tenement. For a new residential development the number of Equivalent Tenements is the same as the number of lots.

It is stated by Council that they recover only a part of the cost of providing the water and sewer infrastructure necessary to service the new development.

So how is the Developer's contribution calculated for the additional infrastructure ?

Case Study - Approved 69 lot residential subdivision at Oscar Dr, Chittaway Point in 2021.

The Developer's vacant land was originally zoned as E2 Environmental Conservation. The land is flood prone as defined by Council's flood maps and on numerous occasions flood water discharges from this vacant land, through the backyards of properties in Geoffrey Rd and into Ourimbah Ck. Despite numerous objections and evidence provided by the community that the wetlands were unsuitable, a majority of the Councillors approved the rezoning in 2016, subject to a detailed Development Control Plan (DCP 6.24). In 2017, the Developer submitted a Development Application for 69 lots. The application was refused by Council in April 2020 due to issues with the impact of flooding, environmental impact, single road access and evacuation and not in the public interest. The Developer appealed and a conciliation hearing was held (site unseen) in the Land and Environment Court in July 2021. The appeal was upheld and the Council and the Developer agreed to additional conditions of consent for the management of floods and stormwater, a biodiversity assessment report and engineering details for utilities such as water and sewer. The neighbouring properties have not yet been advised of these new conditions.

The vacant land has no water, sewer or stormwater services and the Developer must contribute towards Council's infrastructure for the supply of additional water and sewer mains and pumps, water and sewer treatment systems and maintenance of drainage works using the DSP process.

So how much will the Developer contribute towards this new development for the supply of additional water, sewer and drainage infrastructure ?

According to Council's website and the self assessment information provided, the combined DSP charge for water and sewer is \$5,855 per lot or \$404,000 for 69 lots from 1 July 2021. However a quote also needs to be obtained. The final Developer's contribution is unknown, the self assessment amount of \$404,000 appears to be inadequate and the ratepayers may still have to contribute to any shortfall.

So what is the full cost and how much do the ratepayer's pay for the shortfall when IPART sets the rates ?

The answers are complex, convoluted and shrouded in technical assumptions. The DSP process, the amount collected from the Developer and the ratepayer's contribution towards additional infrastructure is unclear. It is IPART's opinion that existing customers do not contribute to the cost of assets that service a new development. This appears to be a contradiction and if correct, the Council's DSP process appears to fall short and is in need of a major overhaul.

What is wrong with Developers paying the full and final cost of the additional infrastructure when the design is finalised or construction is complete ? It's grossly unfair for ratepayers to subsidise these new developments.