



1 November 2021

Ms Carmel Donnelly
Chair
Independent Pricing & Regulatory Tribunal
PO Box K35
HAYMARKET NSW 1240

Dear Chair and Tribunal Members,

SUBMISSION – CENTRAL COAST COUNCIL WATER ETC PRICE REVIEW 2021-22

As representatives of the community in the NSW Parliament, we make the following submission.

Our overriding concern is that the Tribunal ensure in its determination that our community pay no more than absolutely necessary to deliver the services which are the subject of the review.

Any increase awarded by the Tribunal must be strictly limited to the costs Council incur in the delivery of the water and sewer service to our community.

The increase sought by Council would see the Central Coast pay some of the highest water and sewer charges in the Country. We say it is not justified.

Having already seen rates increase significantly and services provided by Council decline, the Tribunal will be unsurprised to hear that our constituents don't want to pay any more than they currently do for their water and sewer. There is a tremendous level of distrust in Council and a strong feeling that we are being asked to pay for poor management and a badly executed amalgamation. This is in part reinforced by changes to billing which has seen the service fees traditionally included on the rates notice transferred to the water bill which became a water, sewerage, and drainage bill.

Having said that, our community wants to have its essential services provided by a publicly owned entity and there has traditionally been strong support and pride in the existence of our own water supply authority. How IPART responds to Councils application has the potential to have a significant impact on how the community sees Council.

In this regard, we are concerned that price comparisons with other utilities provided by Council and by the IPART may be seen to be justifying a case for an increase in prices on no other basis than other utilities in NSW charge higher prices¹.

The current prices charged by the utilities servicing Sydney and the Hunter when compared to the Central Coast offer a somewhat different perspective, particularly if we separate the costs. First water:

Water	Sydney Water	Hunter Water	Central Coast Council ⁱⁱ
Service fee (per year)	\$40.24	\$26.25	\$87.29
User charge (per kL)	\$2.35	\$2.52	\$2.10
Bill for 150kL use	\$392.74	\$430.50	\$402.29
Bill for 200kL use	\$510.24	\$530.25	\$507.29

The Sydney Water bill for water is a little lower than Central Coast for 150kL usage and a little higher for 200kL usage. We note the National Performance Reportⁱⁱⁱ authored by the Bureau of Meteorology records average annual household usage for the Central Coast as ranging from 155 to 169kL per year.

The sewer service is an annual fee^{iv}:

Sewer	Sydney	Hunter	Former Gosford	Former Wyong
Fee (per year)	\$549	\$702.37	\$525.02	\$488.63

Both Sydney and Hunter Water charge a higher sewer fee.

Stormwater and drainage are also an annual fee:

Stormwater & drains	Sydney	Hunter	Central Coast
Fee (per year)	\$78.20	\$86.29	\$108

The Central Coast stormwater and drainage fee is higher.

When we add all fees together (water bill for usage (150 or 200kL) + Sewer fee + Stormwater fee), we get an annual bill which looks something like this:

Total Annual Bill	Sydney	Hunter	Central Coast
Bill (150kL water use)	\$1,019.94	\$1,219.16	\$998.92 (Wyong) \$1,035.09 (Gosford) \$1,017.12 (average)
Bill (200kL water use)	\$1,137.44	\$1,318.91	\$1,103.92 (Wyong) \$1,227.60 (Gosford) \$1,165.76 (average)

Central Coast Councils average bill is overall lower for a household consumption of 150kL water per year. However, Sydney Water has a lower overall annual bill when 200kL consumption is used. This is also the conclusion of the National Performance Report^v. We also note again, National Performance Report figures indicate typical water consumption for Central Coast Council residence is **always** more than 150kL.

The price information in the above table was obtained from information publicly available on the website of Hunter^{vi} and Sydney Water^{vii}. For Central Coast Council we have referred to the 2021-22 Operational Plan on the Council website^{viii}. We note there is no easily accessible list of current water and sewer fees on the Council website and this a factor Council may wish to consider in terms of community trust in its services.

The comparison suggests that Central Coast Council residents are currently paying fees and charges which are little different to those charged for residents of the Sydney Region who, by and large, have a greater capacity to pay.

Water and Sewer charges are user charges which comprise a fixed service fee and a consumption charge based on usage. In this regard they differ from rates charged by Council which are based on land value, and which are, as a result, a better reflection of capacity to pay. Accordingly, **we invite IPART** to give close attention to the fairness of the prices charged and to consider whether funding of some elements of the costs subject to this review might be better drawn from general rates revenue.

Councils' submission refers to various capital works projects it says it will complete during the period of the determination. In this regard, **we invite IPART** to consider the following:

- Does Council have the capacity to complete the projects nominated given the recent large number of redundancies from the organisation?
- Is Councils workforce sufficient for the proposed works? In this regard we note Council does not yet feel it has the capacity to train apprentices and engaged no apprentices in 2020 and 2021.
- Councils' submission does not indicate what measurable service improvement the proposed works are directed at or how this will be measured.

The special circumstance of renters should be given close consideration by IPART. We note Council does not read individual unit meter even though these are more common in newer multi-unit buildings. **We invite IPART** to consider:

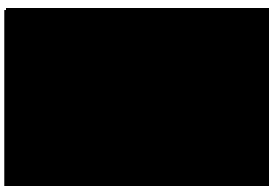
- Does the billing system used by Council promote affordability of rental accommodation? Does grouping of user and service charges on the one bill allow 'landlords' to shift costs to renters which are more properly paid by the property owner?
- Can Council encourage affordable housing provision by charging concessional prices below the 'maximum' price determined by IPART?

IPART should also give close attention to whether any proposed change in prices will have an unfair impact on the fees paid by retirement village residents particularly those who would be entitled to a pensioner rebate if in their own home but not-eligible due to living in a retirement village charged by the size of meter instead of each dwelling. We note the IPART found retirement village residents currently pay less than an equivalent pensioner receiving a rebate in their own home^{ix}.

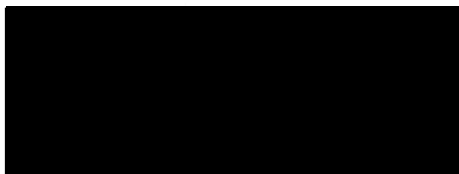
Finally, the IPART should have regard to the need to improve the trust of the community in Council. In this regard IPART should ensure that any increase awarded is tightly linked to a service improvement which is modest and achievable.

We look forward to seeing the results of your deliberations.

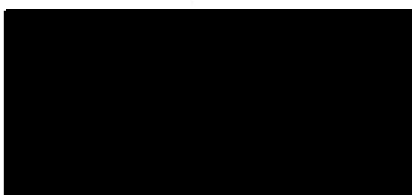
Yours sincerely,



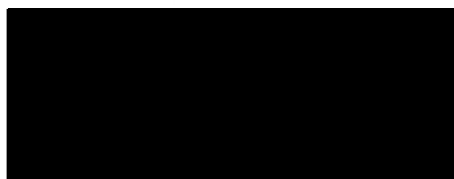
Yasmin Catley
Member for Swansea



David Harris
Member for Wyong



David Mehan
Member for The Entrance



Liesl Tesch
Member for Gosford

ⁱ Central Coast Council (2021): Price submission summary, page 1., and IPART (2021) Issues Paper, page 8.

ⁱⁱ Based on information provided in Councils 'Price Submission Summary' to IPART. Current prices not found on Council's website.

ⁱⁱⁱ BoM (2021): Table A1.

^{iv} The Sewer Service Fee for the former Gosford LGA and Wyong LGA are different. The figure calculated is based on the information provided in the Operational Plan, page 161.

^v BoM (2021): Figure 4.3 Central Coast Council is ranked 5th out of 15 utilities with Sydney Water ranked 2nd, Page 34. We note Council refers to Figure 4.2 to support its claim to have the lowest cost water/sewer but this comparison is based on a 'typical bill' and doesn't provide a proper comparison of costs for same usage.

^{vi} <https://www.hunterwater.com.au/home-and-business/managing-your-account/residential-pricing-fees-and-charges>

^{vii} <https://www.sydneywater.com.au/accounts-billing/managing-your-account/about-your-account/our-prices.html>

^{viii}

<https://cdn.centralcoast.nsw.gov.au/sites/default/files/Council/Operational Documents/Delivery and Operational Plan 2021-22 0 0.pdf>

^{ix} IPART (2019): Review of Central Coast Councils water, sewerage, and stormwater prices. To apply from 1 July 2019. Page 127-128.