



IPART sets the **maximum prices** that Central Coast Council can charge for water, sewerage and stormwater services that it provides as a water supply authority.



This is the first time we have set prices for the **amalgamated Council**. We have set prices for three years, from 1 July 2019.

Our decisions mean **lower prices** for almost all customers

- ▼ Bills will fall for all residential customers.
- ▼ Bills will fall for non-residential customers in the former Gosford Council.
- ▼ Bills will increase each year for some non-residential customers in the former Wyong Council, for the next 3 years. The largest increases will apply to some customers with land larger than 4.5 ha and with a small water meter.
- ▼ Changes to non-residential bills will vary depending on meter size, usage, discharge factor and land area.

The next pages have more information on our pricing decisions on water, sewerage and stormwater prices. All prices in this fact sheet are presented in \$2018-19 (that is, excluding the impact of inflation), and all bills include our estimate of inflation of 6.4% over the 3 years to 2021-22.



What next?



The maximum prices we set apply from 1 July 2019, for the next three years. Our next review of prices is scheduled to begin in 2021.



Learn more

Our full report and related documents are available on our website: ipart.nsw.gov.au

Indicative annual residential bills – for water, sewerage and stormwater services

	In former Gosford LGA			In former Wyong LGA			
	Current bill 2018-19	Bill for 2019-20	Change	Current bill 2018-19	Bill for 2019-20	Change	
 Apartment	105 kL annual usage	\$1,236	\$833	-32.6%	\$985	\$801	-18.6%
	170 kL annual usage	\$1,384	\$965	-30.3%	\$1,133	\$933	-17.7%
 House	170kL annual usage	\$1,384	\$1,029	-25.7%	\$1,166	\$997	-14.5%
	250kL annual usage	\$1,568	\$1,191	-24.0%	\$1,349	\$1,159	-14.1%

Our key decisions



Reduced the Council's proposed revenue by 10%, or \$54 million over 3 years.



Aligned water and stormwater prices across the Central Coast.



Maintained separate sewerage prices for the Gosford and Wyong areas



Set an annual stormwater price of \$103 for residential, farmland and low-impact properties.

Reduced the water usage price to \$2.00/kL, and maintained the current sewerage usage price of \$0.83.

Reduced the deemed amount of sewerage usage for residential customers.

Retirement village charges remain based on meter sizes, rather than the number of retirement village units.

Unconnected properties no longer pay water and sewerage service prices.

How did we reach our decisions?

We consulted publicly

- ▼ We released an Issues Paper in June 2018.
- ▼ The Council made a pricing proposal to us in September 2018.
- ▼ We received public submissions in October 2018 and held a Public Hearing in November, in Tumbi Umbi.
- ▼ We released a Draft Report in April, and considered stakeholder feedback.

We assessed revenue needs

- ▼ We reviewed the Council's proposed expenditure for prudence and efficiency.
- ▼ We engaged industry experts to advise us.

We set prices

- ▼ We made final decisions on prices for water, sewerage, stormwater, trade waste and miscellaneous services to recover efficient costs only.



What price will I pay?

Water prices for all customers will be lower:

- ▼ The water usage price will fall by \$0.29/kL – or 13% – for all customers.
- ▼ Water service prices will fall next year for all customers, but by varying amounts.



Sample residential water bills for 2019-20 (water service + usage price)

		Bill for 2019-20	Compared to 2018-19 bill	
			Gosford	Wyong
 Typical apartment	Non-pensioner	\$297	-32%	-27%
	Pensioner	\$210	-40%	-34%
 Typical house	Non-pensioner	\$429	-27%	-23%
	Pensioner	\$341	-32%	-27%

The typical apartment bill includes 105kL annual usage; the typical house bill includes 170kL annual usage.



Water service prices for non-residential customers will fall by 58% in the Gosford area and 49% in the Wyong area

Meter size	Annual price	Meter size	Annual price
20mm	\$83.41	80mm	\$1,334.64
25mm	\$130.34	100mm	\$2,085.37
40mm	\$333.66	150mm	\$4,692.08

What are IPART's decisions?

Reduced the Council's proposed revenue for supplying water services by around \$18 million, or 8%, over 3 years.

Set the same water prices for Gosford and Wyong customers. The water supply system is connected across the Central Coast, so it is appropriate the costs are shared equally. Service prices are currently different in the two former Council areas.

Reduced the water service prices to \$83.41 for all residential customers and for non-residential customers with a 20mm meter. Prices for other meter sizes will increase proportionally. Fixed prices aim to recover fixed costs to the Council.

Deemed all residential properties to have a 20mm meter. This means that prices for residential and non-residential customers are set more consistently.



Water service prices

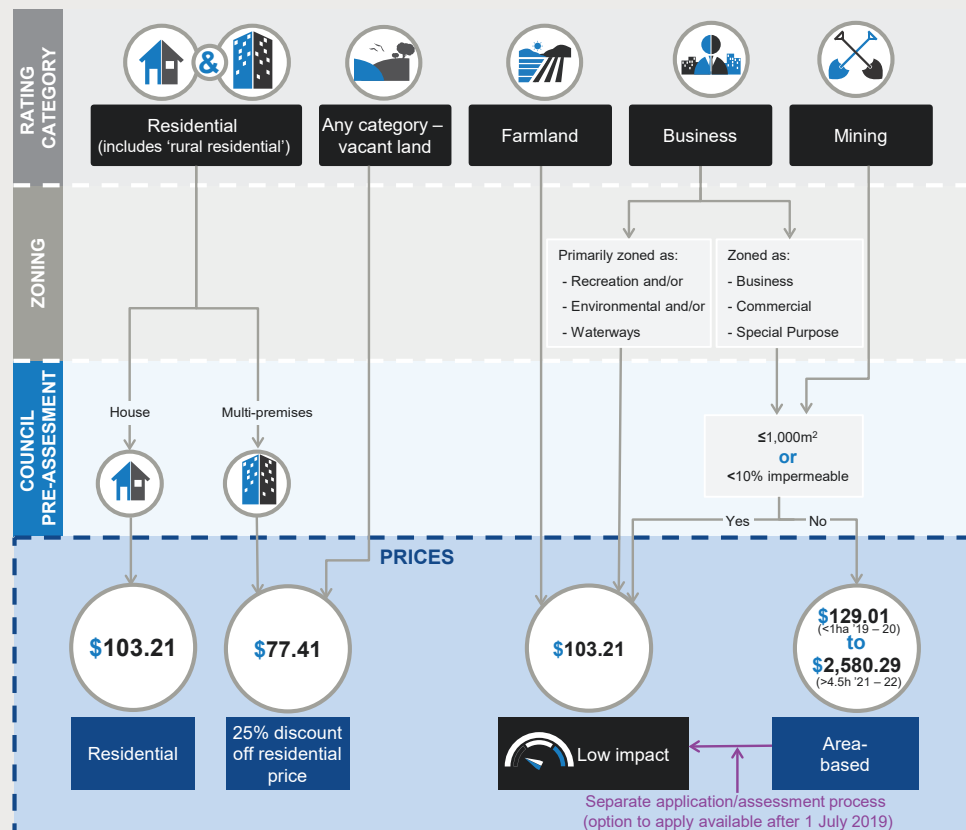
	Price for 2019-20	2018-19 price	
		Gosford	Wyong
Residential customers (20mm meter)	\$83.41	\$197.81	\$164.63
Our change		-58%	-49%

Reduced the water usage price from \$2.29/kL to \$2.00/kL

This price balances the objectives of cost reflectivity, price stability and sending an appropriate signal to water users. It is informed by the long-run cost to Council of supplying a kilolitre of water.

What price will I pay?

- Residential and farmland customers will pay a fixed annual price of \$103.21 (with a 25% discount for apartments).
- Low impact non-residential properties – including where 90% of land is zoned for environmental, recreation, and waterways, or where a property has substantial proportion of permeable surfaces – will also pay a fixed price of \$103.21.
- Other non-residential properties larger than 1,000m² will pay area-based charges – unless they are assessed as low-impact by the Council.
- Prices for most customers will only increase with inflation after the first year. Area-based prices will increase by a greater amount each year.



What are IPART's decisions?

Reduced the Council's proposed revenue for stormwater services by 16%, or \$7.3 million over 3 years.

Set the same prices for Gosford and Wyong customers, as the costs are similar (on average) across the two regions.

Included a transition path for area-based charges to reduce large annual price shocks.

Area-based prices

	2019-20	2020-21	2021-22
Medium (1,001 - 10,000m ²)	\$129	\$155	\$181
Large (10,001 - 45,000m ²)	\$353	\$602	\$851
Very Large (>45,000m ²)	\$929	\$1,755	\$2,580

Customers subject to area-based prices could apply for the low impact price. We have requested the Council to:

- Publish relevant information and an application form by 1 July 2019.
- Ensure affected customers are informed in their bills about the low-impact price.
- Assess applications within 15 working days.

We have also asked the Council to pre-assess some non-residential properties as low impact.

Why are **all properties** included under our decisions?

- Our maximum prices apply to all properties within a declared drainage area.
- All customers benefit from stormwater services, such as having reduced flooding, and costs are incurred across the entire Council area.
- Some commercial and industrial customers create a larger need for stormwater management, with larger properties that have higher impervious surface areas. These properties should pay area-based prices.

SEWERAGE PRICES

Review of Central Coast Council's water, sewerage and stormwater prices

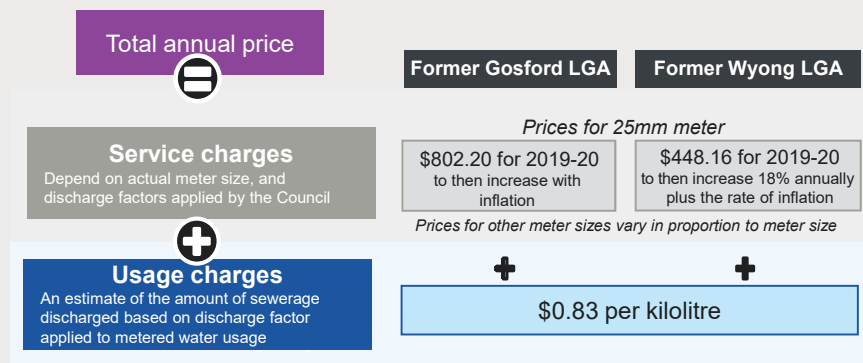
What price will I pay?

All residential prices will fall, but the actual prices depend on location and property type.

	Former Gosford LGA		Former Wyong LGA	
	House	Apartment	House	Apartment
TOTAL ANNUAL PRICE	\$488.81	\$451.46	\$457.45	\$420.10
Deemed usage charge	\$103.75 <small>125 kL x \$0.83/kL</small>	\$66.40 <small>80 kL x \$0.83/kL</small>	\$103.75 <small>125 kL x \$0.83/kL</small>	\$66.40 <small>80 kL x \$0.83/kL</small>
Service charge	\$385.06		\$353.70	

The change in non-residential prices depend on a number of factors, including meter size, discharge factor and location.

- ▼ In the **Gosford** area, prices will fall next year, then increase with inflation.
- ▼ In the **Wyong** area, prices will increase slightly in 2019-20, and then increase by 18% plus inflation annually for customers with larger meters (25mm and above).



What are IPART's decisions?

Reduced the Council's proposed revenue requirement by around \$29.6 million, or 14%, over 3 years.

Maintained separate prices for the **Gosford** and **Wyong** areas. We are not convinced that harmonising prices would reflect the Council's costs of providing sewerage services in each area. We also see merit in setting sewerage prices by catchment in future (the Council has eight sewerage catchments).

Changed the price structure to deem all residential properties to have a 20mm meter, so that prices for residential and non-residential customers are set more consistently. We have transitioned this change to ease the bill impact for **Wyong** non-residential customers.

Reduced the deemed discharge amount for residential customers from 150 kL to 125 kL for houses and 80 kL for apartments.

Why deem discharge? We deem a usage amount because properties generally don't have a sewerage meter to measure actual sewerage volume.

How did we deem discharge? The average water use of houses and apartments is quite different on the Central Coast, so deeming separate sewerage usage improves the equity and cost-reflectivity of sewerage prices.

Non-residential properties no longer have a deemed usage amount, and pay for their discharge (based on their water usage multiplied by their discharge factor).

Maintained the sewerage usage price (\$0.83/kL) before inflation.