

**POLICY COMMITTEE MEETING TO THE COUNCIL MEETING
HELD ON TUESDAY, 9 DECEMBER 2003**

General Manager
BATHURST NSW 2795

**1 REPORT OF THE POLICY COMMITTEE MEETING HELD ON
WEDNESDAY, 26 NOVEMBER 2003 (11.00005)**

Recommendation: That the report of the Policy Committee Meeting held on Wednesday, 26 November 2003 be adopted.

Report:

PRESENT: Crs Macintosh (Chair), Crisp, Haysom, Hosemans, Knowles, Schofield, Spring, Stapleton, Wardman, Welsh.

General Manager, Director of Corporate Services, City Treasurer, City Engineer, Manager Strategic Planning, Manager Administration, Senior Accountant, Manager Water & Waste, Administration Officer.

APOLOGIES: Cr Nightingale

YOUR COMMITTEE RECOMMENDS:

1. **APOLOGIES (11.00003)** - A **MOTION** was **MOVED** by Cr Spring and **SECONDED** by Cr Knowles

RESOLVED: That the apology received from Cr Nightingale be received and leave of absence granted.

2. **PREVIOUS REPORT (11.00002)** - A **MOTION** was **MOVED** by Cr Spring and **SECONDED** by Cr Knowles.

RESOLVED: That the report of the Policy Committee Meeting held on 5 November 2003 be adopted.

3. **DECLARATION OF INTEREST (11.00002)** - A **MOTION** was **MOVED** by Cr Spring and **SECONDED** by Cr Knowles.

RESOLVED: That the information be noted.

GENERAL MANAGER'S REPORT

4. **Item 1 - PROGRESS REPORT ON SOCIAL/COMMUNITY CULTURAL PLAN (20.00056)** - A **MOTION** was **MOVED** by Cr Stapleton and

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SECONDED by Cr Schofield.

RESOLVED: That the information be noted.

GENERAL BUSINESS

5. RIDING FOR DISABLED (18.00071) - Cr Wardman requested details on the status of the lease of Council land by the Riding for Disabled group.

The Director of Corporate Services advised that a report is being prepared for Council.

6. FIRE STATION (13.00020) Cr Wardman expressed concern that it will be a great disservice to the City when the Fire Station is relocated to Suttor Street. Cr Wardman suggested Councillors go and view the site to see where pegged out and suggests that a public forum be held on this matter.

The General Manager advised the Development Application for this development will come to Council.

7. COMMUNITY WORKSHOPS (29.00001) - Cr Schofield asked if Council could consider running or co-ordinating workshops for community groups on sponsorship; operations; meeting procedures etc.

The General Manager advised that a report will be prepared for Council.

8. TRIPLE BOTTOM LINE ACCOUNTING (16.00055) - Cr Schofield requested that a report come to Council on adopting triple bottom line accounting.

9. COST SHIFTING REPORT (16.00031) - Cr Knowles advised that the Federal Government tabled a report yesterday on cost shifting. Cr Knowles advised it is positive that it was a bipartisan report and may lead to positive outcomes.

10. AFTER HOURS ONCALL NUMBERS (03.00083) - Cr Knowles enquired as to the status of the process in changing to Councils after hours phone numbers to the one number. Cr Knowles also advised that after hours numbers are ringing out when called, she requested this be checked.

The General Manager advised process in place to convert after hour numbers to a remote service provider.

11. DRAINAGE, LAFFING WATERS (13.00031) - Cr Knowles asked whether there are any particular problems with drainage at Laffing Waters. In particular Cr Knowles noted the effects of a recent storm event in the area.

The City Engineer advised that the drainage is being reviewed as the subdivision gets developed and additional piping will go in.

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The Mayor advised that the report will contain details of fees.

- 17. MOUNT PANORAMA BUSINESS PLAN (04.00086) - Cr Spring** asked if a date has been set for the Working Party on the Business Plan.

The General Manager advised that a meeting date was being organised.

- 18. COMMUNITY SURVEY (23.00103) - Cr Spring** stated he would like to see some questions raised in the survey concerning the Mount, including importance people place on it.
- 19. LOCAL GOVERNMENT ELECTIONS (12.00002) - Cr Spring** advised he had spoken to the Minister about next years elections and was unable to ascertain if the date for elections in 2004 was definite.
- 20. COUNCILLOR MAGAZINES (24.00001) - Cr Stapleton** drew to Councillors attention that a glossy magazine has recently been released called "The Councillor".
- 21. VEGETATION MANAGEMENT PLAN (13.00001) - Cr Schofield** advised that a meeting was held with Greening Bathurst.

The meeting closed at 7.04 pm.

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13. USER PAYS SEWER PRICING (26.00010)

The City Treasurer 's Department gave an introduction into the User Pays Sewer Pricing System and the directions received from the State Government.

[REDACTED] (Chamber of Commerce) - stated that from a business point of view need to ensure that any business charges set are reviewed on an ongoing basis. This will cater to businesses developing best practices to reduce usage.

[REDACTED] Commercial properties/businesses eg schools, units etc have lots of toilets it would appear residential properties are subsidising industry under current system.

[REDACTED] - Should be easy to sell as most residential people will pay less.

A resident of Eleven Mile Drive area raised the question of whether terrain come into pricing structure. Bathurst has varied weather conditions and this will effect septic. It was noted that Eleven Mile Drive is a high risk area.

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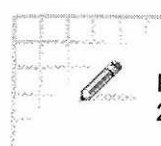
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26.00010



Phillip Perram
27/11/2003 05:33 PM

To: bob.roach@bathurst.nsw.gov.au
cc: Wendy MacDougall

Subject: User Pay Sewerage

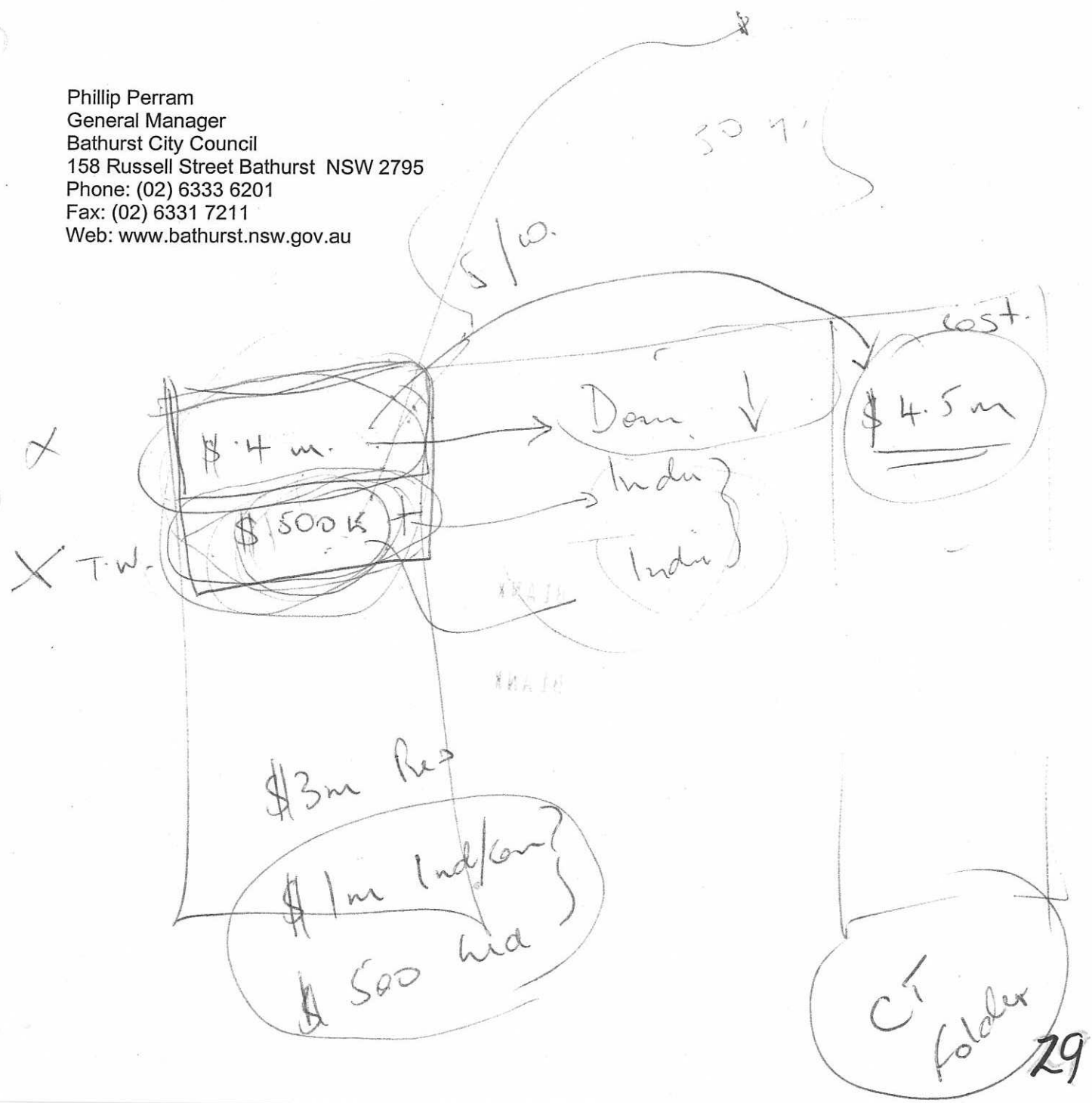
Bob

I am a bit shocked at the suggested cross subsidy level from residential to industry of about \$1 million - has the trade waste component been added in to the revenue equivalent to determine contribution levels and EFTs?

Thanks

Phillip

Phillip Perram
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**2003/04 NSW
WATER SUPPLY AND SEWERAGE**

**PERFORMANCE MONITORING
REPORT**

Sam Samra
Senior Manager
Water Utility Performance

Colin McLean
Executive Director
Water Systems



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NEW SOUTH WALES GOVERNMENT

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- Achieve safe, reliable and secure energy and water services
- Ensure the supply of energy and water is efficient and affordable
- Invest in the growth of our people and improve our business capacity

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FOREWORD

The State Government encourages continuous improvement in the performance of water utilities with the aim of improving the quality and efficiency of services to all NSW residents.

Performance monitoring enables each water utility to monitor trends both in its performance indicators and its relative performance. Utilities can thus identify and rectify any areas of under-performance.

Performance monitoring and benchmarking are required under National Competition Policy and the National Water Initiative, are important for public accountability to the community and have been strongly endorsed by the Independent Pricing and Regulatory Tribunal¹.

This report presents the key NSW performance indicators. The *2003/04 NSW Water Supply and Sewerage Benchmarking Report* provides the full suite of performance indicators and benchmarking data for Local Water Utilities (LWUs) to enable each LWU to benchmark its performance against that of similar LWUs. The benchmarking report is available on the Department of Energy, Utilities and Sustainability (DEUS) website (www.deus.nsw.gov.au/water).

To assist comparisons, the Minister for Energy and Utilities provides copies of this report to all NSW water utilities. The Performance Monitoring Report has been produced since 1986 and discloses the performance of these utilities. It has been prepared by DEUS.

To provide a balanced view of the long-term sustainability of NSW water utilities, a Triple Bottom Line (TBL) accounting focus has been adopted, with performance reported on the basis of social, environmental and economic performance indicators.

NSW Performance Monitoring also provides valuable data for determining the present position and assessing future water supply and sewerage needs for non-metropolitan NSW. This ensures an appropriate focus and targeting of programs to assist LWUs.

¹ *Pricing Principles for Local Water Authorities*, Independent Pricing and Regulatory Tribunal, NSW, 1996

ACKNOWLEDGMENTS

The strong and continuing support of the Local Government Association of NSW and the Shires Association of NSW (LGA and SA) for the NSW annual water supply and sewerage performance reporting system since its commencement in 1986 is acknowledged.

The contribution of NSW Health is acknowledged for providing additional water quality data (from the NSW water quality database) and water quality monitoring compliance data. This data has been incorporated into Tables 5 and 12 and Appendix D1 of the *2003/04 NSW Water Supply and Sewerage Benchmarking Report*.

The NSW Local Government Water Directorate is also acknowledged for permitting use of its *Technical Guidelines for Drought Management*.

The success of the NSW performance reporting system is contingent on full participation by all NSW Local Water Utilities (LWUs). The continuing participation of each LWU in the reporting system and each LWU's significant efforts in providing current, accurate and timely data on its performance for each of the last 4 years are therefore particularly acknowledged.

Council Amalgamations

In July 2003 there were 126 LWUs providing water supply and sewerage in non-metropolitan NSW. However, during 2003/04 there were several amalgamations resulting in the number of LWUs reducing to 107 in June 2004. The amalgamations were:

New Council	Old Council
■ Albury City	Albury, Hume (part)
■ Bathurst Regional	Bathurst, Evans
■ Clarence Valley	Copmanhurst, Grafton City, Maclean, Pristine Waters (part), North Coast Water
■ Coffs Harbour	Coffs Harbour, Pristine Waters (part)
■ Cooma-Monaro	Cooma-Monaro, Yarrowlumla (part)
■ Corowa	Corowa, Hume (part)
■ Glen Innes Severn	Glen Innes, Severn
■ Goulburn Mulwaree	Goulburn City, Mulwaree (part)
■ Greater Hume	Culcairn, Holbrook, Hume (part)
■ Gwydir	Barraba (part), Bingarra, Yallaroi
■ City of Lithgow	Lithgow, Rylstone (part)
■ Liverpool Plains	Quirindi, Murrurundi (part), Parry (part), Gunnedah (part)
■ Mid-Western Regional	Mudgee, Merriwa (part), Rylstone (part)
■ Palerang	Gunning (part), Mulwaree (part), Tallaganda, Yarrowlumla (part)
■ Queanbeyan	Queanbeyan, Yarrowlumla (part)
■ Richmond Valley	Richmond Valley, Copmanhurst (part)
■ Tamworth Regional	Tamworth, Manilla, Barraba, Nundle, Parry (part)
■ Tumut	Tumut, Yarrowlumla (part)
■ Upper Hunter	Scone, Merriwa (part), Murrurundi (part)
■ Upper Lachlan	Yass (part), Crookwell, Mulwaree (part), Gunning (part)
■ Warrumbungle	Coonabarabran, Coolah
■ Yass Valley	Yass (part), Yarrowlumla (part), Gunning (part)

The report discloses performance on the basis of the 126 LWUs existing in July 2003. Appendices C to F also report the performance of the amalgamated LWUs by aggregating the reported data from their constituent LWUs. For clarity, Figure 1 reports results for the amalgamated LWUs, but not those of their constituent LWUs over the last 3 years. The basis for aggregating the results of amalgamated LWUs is shown in Appendix G.

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EXECUTIVE SUMMARY

Utility Characteristics

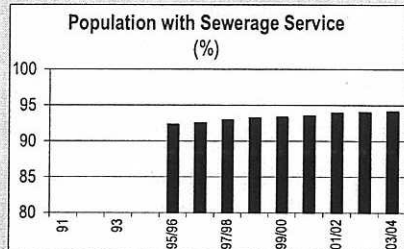
In July 2003, 126⁺ Local Water Utilities (LWUs) provided water supply and sewerage services to non-metropolitan NSW (ie. excluding Sydney and Hunter Water Corporations).

In 2003/04 the population served was 1.73 million (97.7% coverage) and the number of water supply properties (assessments) was 758,000, an increase of 2.0% over the last 12 months. The total water consumption was 323,000 ML.

The operation of utilities was strongly influenced by the ongoing drought, with 81% of utilities receiving below average rainfall. This has led to an increased focus on water conservation and demand management particularly through water restrictions (49% of utilities), implementation of pay-for-use water pricing and integrated water cycle management.

Notwithstanding the influence of the drought, the increased focus on efficiency and sustainability through best-practice management by utilities has resulted in continuing improvement in performance against many indicators.

To provide a balanced view of the long-term sustainability of NSW water utilities, a Triple Bottom Line (TBL) focus has been adopted, with performance reported on the basis of Social, Environmental and Economic indicators.



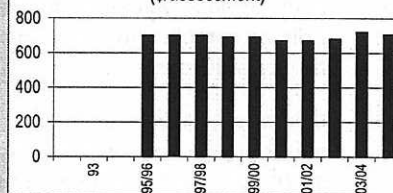
Population with sewerage service – 94.1% of the non-metropolitan urban population (ie. 1,650,000 people) received a reticulated sewerage service in 2003/04.

Since implementation of the new Country Towns Water Supply and Sewerage Program (CTWS&S) in 1996, the population receiving a reticulated sewerage service has increased by 190,000 people ie. from 92.3% to 94.1%.

Social

- The typical residential bill for water supply and sewerage has remained relatively constant over the last 10 years.
- Water quality compliance has increased slightly and water quality complaints have decreased.
- Sewage odour complaints have remained relatively constant while sewerage service complaints have fallen.
- Median water usage charge was 76c/kL

Typical Residential Bill - Water & Sewerage (\$/assessment)



Typical residential bill – \$705/assessment for water supply and sewerage in 2004/05 (Jan 2005\$).

This has remained relatively constant in current dollars over the last 10 years. The typical residential bill for water supply has fallen to \$330 while the sewerage bill has fallen to \$375.

⁺ As a result of several council amalgamations in 2003/04, the number of LWUs was 107 in June 2004.

Environmental

- Average annual residential water consumption has fallen from 330 to 215kL/property over the last 13 years.
- 35% of utilities have implemented a sound water conservation plan.
- Reuse of recycled water was carried out by 68% of utilities, mostly for agriculture.
- Compliance with the Department of Environment and Conservation (DEC) sewerage licences was 96% for Biochemical Oxygen Demand (BOD) and 92% for suspended solids (SS).

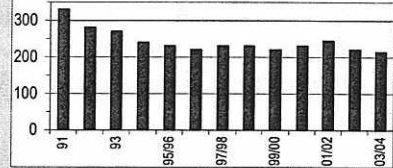
Economic

The total turnover for the 126 utilities was \$806M and the current replacement cost of their water supply and sewerage assets was \$10,600M. 51 of these utilities (40%) were Category 1 businesses under National Competition Policy, having an annual turnover of over \$2M for their water supply or sewerage businesses.

83% of utilities had a 2-part tariff or an inclining block tariff in July 2004. 55% of utilities have completed their strategic business plans and long-term financial plans, thus demonstrating long-term financial sustainability of their water supply and sewerage businesses. A further 31% of utilities have prepared draft business plans.

- Economic real rate of return was 2.5% for water supply and sewerage. This has remained relatively constant over the last 9 years.
- 10% of utilities complied with the Best-Practice Management Guidelines for water supply and 8% of utilities complied for sewerage. These utilities were eligible to pay a dividend.
- Operation, maintenance and administration cost (OMA) for water supply and sewerage has increased from \$370 to \$520 over the last 13 years largely due to more stringent standards for sewage treatment and to increasing management costs.

Average Annual Residential Consumption
(kL/property)



Average annual residential consumption – 215kL/property which was similar to Hunter Water and Melbourne and was lower than the other Australian utilities.

Average annual residential potable water consumption has fallen from 330kL/property to 215kL/property due to introduction of pay-for-use water pricing and implementation of water conservation and demand management by LWUs.

As shown above, consumption per property is trending lower in non-metropolitan NSW while for Sydney Water, Hunter Water and most other states it is increasing.

Director-General's Excellence Awards

Best-Performing Utilities

Congratulations to the following local water utilities who have been identified as the top 10 performers in 2003/04 for water supply and sewerage. Each of these utilities will be presented with the Director-General's Excellence Award for water supply and sewerage. Ballina, Lismore, Queanbeyan and Wyong Councils are particularly commended as they are a top performer in both water supply and sewerage.

Water Supply

- Albury
- Ballina
- Dungog
- Gosford
- Hastings
- Lismore
- Nambucca
- Queanbeyan
- Riverina
- Wyong

Sewerage

- Ballina
- Gunnedah
- Lismore
- Orange
- Queanbeyan
- Singleton
- Wagga Wagga
- Wyong
- Yass Valley
- Young

As noted on page 15, each of these utilities has achieved broad compliance with the *Best-Practice Management Guidelines* and has demonstrated a consistently high level of performance across a wide range of key performance indicators.

Pay-for-use Water Supply Pricing

The following 18 local water utilities are commended for abolishing their annual water allowance and adopting pay-for-use water supply pricing for the 2004/05 financial year:

Australian Inland, Balranald, Bogan, Cabonne, Cobar, Central Darling, Corowa, Deniliquin, Gloucester, Griffith, Harden, Hay, Murray, Orange, Tumbarumba, Uralla, Wellington and Wentworth.

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