



BELLINGEN SHIRE COUNCIL

Information For Ratepayers

Best Practice Management of Water Supply and Sewerage to be implemented from 1 July 2011

Best Practice Pricing is a cornerstone of the state wide Water Reform Agenda. This method of pricing places a greater emphasis on consumption charges and acts as a catalyst for improved water efficiency and better environmental outcomes.

The introduction of new water, sewerage and liquid trade waste pricing is an important step toward meeting the new pricing guidelines and is further evidence of Council's commitment to a sustainable future for the Shire.

The NSW Government encourages best-practice by all NSW Local Water Utilities. The purpose of best-practice management is to encourage the effective and efficient delivery of water supply and sewerage services, and to promote sustainable water conservation practices and water demand management throughout NSW.

In a concerted effort to inform business consumers of the financial impacts associated with the Council wide approach to the new pricing structure, a community consultation program has been initiated.

Annual Water Charges and Water Usage Charges

As from the 1 July there will be an increased emphasis on usage based pricing with Residential and Non-Residential water usage charges set to rise from \$1.03 to \$1.60 kilolitre in order to recover at least 75% of revenue.

	2011/12	2012/13	2013/14	2014/15
Residential	1.60	1.66	1.73	1.81
Residential - IBT	2.40	2.49	2.60	2.72
Non-residential	1.60	1.66	1.73	1.81

Water charges (fixed access) will however decrease by 49.17% from \$242 to \$123 for a normal 20mm meter connection. The charges applicable for the other sized connections will also decrease in line with the new pricing structure as per the Table.

Meter Size	Access Charge 2010/11 \$	Access Charge 2011/12 \$	Number of meters
Not Connected	218	111	144
20mm	242	123	4,215
25mm	378	192	52
32mm	620	315	19
40mm	968	492	16
50mm	1,513	769	23
65mm	2,556	1,299	0
80mm	3,872	1,968	3
90mm	4,901	2,491	0
100mm	6,050	3,075	2
Fire Service	242	123	10

The reduction in the water access charge will therefore result in a nett saving for the average residential consumer, with a 20mm connection and an annual consumption of 170kL, of approximately \$22.

In contrast the water bills for Residential high water consumers will increase, resulting from the increase in the water usage charge and the application of the Inclining Block Tariff (IBT).

The IBT is applicable for residential consumers **only** and as a minimum, all consumption above 365kL per year will be charged at one and a half times the standard rate, in accordance with the best practice pricing guidelines.

Therefore as meters are read four (4) times per year and the number of days between meter readings can vary it is proposed that the 365kL tariff be applied as a daily rate of \$1.60. As such any residential consumer that uses more than 1kL per day in any billing period will be charged at one and half times the normal rate for all consumption in excess of the daily rate.

Non-Residential water consumers can also expect an increase in the cost of water, with the increase dependent on the size of the meter and the water usage patterns.

Example:

The water charges for a business, with a 25mm connection (Access Charge \$192) and annual consumption of 2,000kL @ \$1.60, will be \$3,392 compared to \$2,438 (\$378 plus 2,000kL @ \$1.03) this year.

Annual Sewerage Charges

Sewerage Access Charges for Residential properties connected to the system will increase from \$558 to \$570, which is an increase of 2.15%. The Access Charge for Vacant Land (Sewer Available) will increase from \$502 to \$513.

Sewerage Access Charges for Non-Residential properties will be based on the capacity requirements that their loads place on the system, as per the Table.

Meter Size	Access Charge \$	Meter Size	Access Charge \$
20mm	570	65mm	6,020
25mm	890	80mm	9,120
32mm	1,460	90mm	11,540
40mm	2,280	100mm	14,250
50mm	3,560		

An appropriate Sewerage Usage Charge is required for the estimated volume discharged to the sewerage system, calculated by the formula SDF (Sewer Discharge Factor) x Volume of Water Used x Usage Charge of \$0.80.

Example:

A business with a 40mm size meter, SDF of 0.95 and annual water consumption of 4,000kL will be charged \$5,320 for the year [$\$2,280 + (0.95 \times 4,000\text{kL} \times \$0.80)$] **

Further information on the new best practice water and sewerage pricing can be obtained by contacting Council's Manager Water and Sewer, Craig Salmon on 66557300

Liquid Trade Waste Charges (Non-Residential Properties)

Best-practice liquid trade waste pricing also requires appropriate annual trade waste fees for all liquid trade waste dischargers. These fees are in addition to the Non-Residential sewerage access and usage charge outlined above **

Non-Residential properties have been inspected and each trade waste generator has been categorised into a charging category, based on the NSW State Government Trade Waste Management Guidelines.

The estimated volume of trade waste disposed into the sewerage system has also been determined and a Trade Waste Discharge Factor (TWDF) applied to the relevant water services. Basically the TWDF is a % of the water usage (measured by the water meter) discharged into the sewerage system as trade waste.

Example:

A business with a 40mm size meter, TWDF of 0.30 and annual water consumption of 4,000kL will be charged \$1,440 for the year [$0.30 \times 4,000\text{kL} \times \1.20]

The Draft Local Approvals Policy – Liquid Trade Waste can be viewed on Council's website and information is also contained in the Draft Statement of Revenue Policy.

Business owners can also contact Council's Senior Environmental Health Officer, Garry Hankinson, on 66557300 in regard to the Policy.

Ordinary Rates

In June 2010, the Premier announced a new role for the Independent Pricing and Regulatory Tribunal (IPART) in the regulation of rate revenue for local government in New South Wales. IPART now determines the rate peg for council general income for 2011/12 and beyond. The peg amount is based upon a Local Government Cost Index and a productivity factor.

In September and October 2010, IPART undertook a survey of the operational costs of local councils in New South Wales. Data collected from the survey was used to construct the Local Government Cost Index.

The Index for all Councils for next year is 2.8% and this will generate an additional \$149,700 in Ordinary rates in 2011/12. A proportionate share of this increase is specifically earmarked for the Road Levy and Environmental Levy approved by special rate variations in previous years.

New Land Valuations

Every three years the NSW Valuer General values every property in the Shire for rating purposes. Overall the values of land across the council area increased by 15.62%. This tends to cause some community concern about the impact this has on rates. The level of overall Ordinary Rates is "pegged" which means the total Ordinary Rate revenue for 2011/12 will only be 2.8% higher than in 2010/11.

Waste Management Charges

Domestic Waste Management Service (DWMS) charges for residential and commercial properties will increase by \$35 or 8.05% from \$435 to \$470. The tip access charge will increase by \$5 or 4.35% from \$115 to \$120.

The increase in the service costs is a direct result of the increase in tipping costs, compliance with the NSW State Government regulations and imposition of the Section 88 levy.

Average Residential and Farmland Rate Bill For 2011/12 (Indicative)

Category	Ord	Water	Sewer	Waste	Total \$	Change \$
Non-Urban	1,621	0	0	120	1,741	+ 39
Farmland	1,342	0	0	120	1,462	+ 34
Dorrigo	505	123	570	470	1,668	- 65
Bellingen	790	123	570	470	1,953	- 55
Urunga	836	123	570	470	1,999	- 54
Mylestom	850	123	0	470	1,443	- 66

Average Business Rate Bill For 2011/12 (Indicative)

Category	Ord	Water	Sewer	Waste	Total \$	Change \$
Other	733	123	0	120	976	- 98
Dorrigo	930	123	570	470	2,093	- 52
Bellingen	3,689	123	570	470	4,852	+ 4
Urunga	1,460	123	570	470	2,623	- 41
Mylestom	1,705	123	0	470	2,298	- 48

Pensioner Rebates

The following rebates are available to pensioners who are solely or jointly liable for the payment of rates and charges.

- o 50% of the combined ordinary rates and waste charge – max \$250
- o 50% of the combined water charge and water volumetric charge accounts – max \$87.50
- o 50% of the sewerage charge – max \$87.50

Further information on the rates and annual charges is outlined in the Statement of Revenue Policy on the Council's website.

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