2023/2024 Water & Sewer Pricing Harmonisation

Live Q&A

9 May 2023

DUBBO REGIONAL COUNCIL

AGENDA

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BACKGROUND

- Existing pricing regimes for Water and Sewerage charges for the former Dubbo City Council and Wellington Council have continued since the merger to allow Council to undertake a comprehensive review.

- Council will be considering changes to the 2023/2024 structure to achieve harmonisation of water and sewerage pricing.

- Council will be engaging the community to make sure they are fully informed.

OBJECTIVES

- Ensure there is equitable prices for all residents and businesses across the local government area.
- Consider the Best Practice Management guidelines for Local Water Utilities
- Develop uniform tariffs which provide appropriate pricing signals.
- Achieve efficient water usage as customers face appropriate pricing signals.
- Minimise the impact on ratepayers.
- Raise the income required for the long-term financial sustainability of the water/sewer business.

Considerations

Council engaged the following external consultants for legislative advice and scenario modelling:

- NSW Public Works
- Morrison Low

Options Considered

- Single tiered water tariff versus inclining water tariff
- Maintain the existing pricing regime and not harmonise
- Harmonise and use a pricing regime based on the former Dubbo City Council
- Approximate typical residential bills advised by NSW Public Works
- Approximate typical residential bills advised by Morrison Low

Water Prices

Supplying water to the community is one of Council's major activities. To pay for this supply, Council collects revenue from people who benefit from access and usage of the water supply.

Water prices consist of a fixed water service access charge and volumetric usage charge.

1. Access charge: the charge is a fixed annual charge and serves, to recover the costs of providing water services. It is charged depending on water meter connection size and the number of services to the property.
2. Usage charge: the charge is applied to the volume of water used by a customer.

Water Prices – Access Charge

ACCESS CHARGE CURRENT	
Former Dubbo City Council	
20mm	$293.56
25mm	$457.95
30/32mm	$751.48
40mm	$1,174.19
50mm	$1,834.68
65mm	$3,099.86
80mm	$4,696.77
100mm	$7,338.70
150mm	$16,520.85
200mm	$29,355.52

Former Wellington Council	
Domestic	$450.56
Commercial 20mm	$545.73
Commercial 25mm	$844.34
Commercial 31mm	$1,303.97
Commercial 32mm	$1,389.93
Commercial 38mm	$1,969.66
Commercial 40mm	$2,171.27
Commercial 50mm	$3,388.93
Commercial 80mm	$8,684.61
Commercial 100mm	$13,572.52
Commercial 150mm	$30,528.06
Un-connected services	$450.54
Connected service – no meter	$545.73
Dedicated fire service	$545.73
Commercial (Non Profit)	$844.34
Un-connected service	$450.54
Connected service – no meter	$545.73
Dedicated fire service	$545.73
Church Properties	
Connected Wellington – non residential	$436.54
Connected Village	$360.42

ACCESS CHARGE PROPOSED	
20mm	$301.75
25mm	$471.48
32mm	$772.48
40mm	$1,207.00
50mm	$1,885.94
65mm	$3,187.23
80mm	$4,828.00
100mm	$7,543.75
150mm	$16,973.44
200mm	$30,175.00

Water Prices – Access Charge

$$Access\ Charge = 20mm\ x \left[\frac{D^2}{400}\right]$$

Proportional to the square of the size of the customer's water supply service connection.

Water Prices- Usage Charge

USAGE CHARGE – PER KILOLTRE/KL CURRENT				
Former Dubbo City Council		Former Wellington Council		
All consumption	$2.22		Residential	Non Residential
		KL; 0 – 300	$2.42	$1.67
		KL; 301 – 500	$2.47	$1.80
		KL; 501 – 10,000	$2.65	$2.19
		KL; Above 10,001	$2.86	$2.75

USAGE CHARGE – PER KILOLTRE/KL PROPOSED	
All consumption	$2.28

In accordance with Best Practice Pricing Principles the tariff steps should increase significantly to encourage water consumption i.e. at least 50%.

The Independent Pricing and Regulatory Tribunal (IPART) note that “higher water usage charge results in only a very small reduction in the service charge and overall bills for customers with low water usage, however it increases bills for most other customers, including large families and renters and may disproportionally impact low-income households with higher water usage.”

Sewer Prices

Council's sewer pricing structure for residential and non residential properties is set to comply with Best Practice Pricing guidelines.

- For residential properties – fixed annual access charge only.

- For non residential properties – fixed annual access charge based on the size of the water meter connection/s + volumetric usage charge based on the estimated percentage of water returned to the sewerage system. The charge is proportional to the size of the water supply service connected.

Sewer Prices – Access Charge

ACCESS CHARGE CURRENT

RESIDENTIAL

Former Dubbo City Council	
Residential	$835.88
Residential multiple occupancy	$417.94

Former Wellington Council	
Wellington	$732.43
Mumbil	$686.29
Geurie	$732.43
Religious	$587.07
Wellington Unoccupied	$648.24
Mumbil Unoccupied	$648.24
Geurie Unoccupied	$648.24

NON RESIDENTIAL

	Quarterly Amount	Annual Equivalent
20mm	$109.95	$439.80
25mm	$171.80	$687.19
32mm	$281.47	$1,125.89
40mm	$439.80	$1,759.20
50mm	$687.19	$2,748.75
65mm	$1,161.35	$4,645.39
80mm	$1,759.20	$7,036.80
100mm	$2,748.75	$10,995.00
150mm	$6,184.69	$24,738.75

	Quarterly Amount	Annual Equivalent
20mm	$97.64	$390.56
25mm	$152.56	$610.25
31mm	$234.58	$938.32
32mm	$249.96	$999.83
38mm	$352.48	$1,409.92
40mm	$390.56	$1,562.24
50mm	$610.25	$2,441.00
80mm	$1,562.24	$6,248.96
100mm	$2,441.00	$9,764.00
150mm	$5,492.25	$21,969.00
Un-connected service	$155.49	$621.97
Connected Service No Meter	$176.51	$706.04
Commercial (non-profit) 50mm	$156.70	$626.78
Church Properties		
Connected Villages		$503.14
Connected Wellington		$503.14

ACCESS CHARGE PROPOSED

RESIDENTIAL

Residential	$806.25
Residential multiple occupancy	$403.13

NON RESIDENTIAL

	Quarterly Amount	Annual Equivalent
20mm	$112.50	$450.00
25mm	$175.78	$703.13
32mm	$288.00	$1,152.00
40mm	$450.00	$1,800.00
50mm	$703.13	$2,812.50
65mm	$1,188.28	$4,753.13
80mm	$1,800.00	$7,200.00
100mm	$2,812.50	$11,250.00
150mm	$6,328.13	$25,312.50
200mm	$11,250.00	$45,000.00

Non-Residential Sewer Prices - Usage Charge

USAGE CHARGE – PER KILOLTRE/KL CURRENT			
Former Dubbo City Council		Former Wellington Council	
All consumption	$2.40	All consumption	$1.04

USAGE CHARGE – PER KILOLTRE/KL PROPOSED	
All consumption	$2.50

Impact – Residential

Former Council	Description	Water Usage KL	Water Bill	Sewer Bill	Total Bill
Dubbo	Water access 20mm	45	$393	$836	$1,229
Wellington	Domestic	45	$559	$732	$1,291
Preferred Option	***Water access 20mm***	***45***	***$404***	***$806***	***$1,210***
Dubbo	Water access 20mm	150	$627	$836	$1,462
Wellington	Domestic	150	$813	$732	$1,546
Preferred Option	***Water access 20mm***	***150***	***$644***	***$806***	***$1,450***
Dubbo	Water access 20mm	250	$849	$836	$1,684
Wellington	Domestic	250	$1,055	$732	$1,788
Preferred Option	***Water access 20mm***	***250***	***$872***	***$806***	***$1,678***
Dubbo	Water access 20mm	500	$1,404	$836	$2,239
Wellington	Domestic	500	$1,670	$732	$2,402
Preferred Option	***Water access 20mm***	***500***	***$1,441***	***$806***	***$2,248***
Dubbo	Water access 20mm	1,000	$2,514	$836	$3,349
Wellington	Domestic	1,000	$2,996	$732	$3,728
Preferred Option	***Water access 20mm***	***1,000***	***$2,581***	***$806***	***$3,388***

Impact – Non Residential

Former Council	Description	Water Access Charge	Water/Sewerage Usage Kl	Water Bill	Sewer Bill	Total Bill
Dubbo	Beautician	Water access 20mm	184	$702	$793	$1,495
Wellington	Beautician	Commercial 20mm	184	$853	$524	$1,377
Preferred Option	**Beautician**	**Water access 20mm**	**184**	**$721**	**$819**	**$1,540**
Dubbo	Bakery	Water access 20mm	275	$904	$990	$1,894
Wellington	Bakery	Commercial 20mm	275	$1,005	$643	$1,648
Preferred Option	**Bakery**	**Water access 20mm**	**275**	**$929**	**$1,081**	**$2,009**
Dubbo	Fast Food	Water access 32mm	5,500	$12,961	$13,610	$26,571
Wellington	Fast Food	Commercial 32mm	5,500	$13,201	$6,384	$19,585
Preferred Option	**Fast Food**	**Water access 32mm**	**5,500**	**$13,312**	**$14,157**	**$27,469**
Dubbo	Motel	Water access 40mm	1,500	$4,504	$5,091	$9,595
Wellington	Motel	Commercial 40mm	1,500	$5,222	$2,966	$8,188
Preferred Option	**Motel**	**Water access 40mm**	**1,500**	**$4,627**	**$5,273**	**$9,900**
Dubbo	Grocery Outlet	Water access 50mm	2,695	$7,818	$8,295	$16,113
Wellington	Grocery Outlet	Commercial 50mm	2,695	$9,057	$4,719	$13,776
Preferred Option	**Grocery Outlet**	**Water access 50mm**	**2,695**	**$8,031**	**$8,595**	**$16,626**
Dubbo	Other Facility	Water access 150mm	42,000	$126,281	$142,764	$269,045
Wellington	Other Facility	Commercial 150mm	42,000	$170,722	$83,237	$253,959
Preferred Option	**Other Facility**	**Water access 50mm**	**42,000**	**$129,706**	**$147,844**	**$277,550**

Frequently Asked Questions

Why are changes required?

Since the merger of Dubbo City Council and Wellington Council in May 2016, Dubbo Regional Council has continued using the existing pricing regimes for Water and Sewerage

When will the price harmonisation be introduced?

From 1 July 2023

Will I have an opportunity to provide feedback?

Yes – the proposed pricing structure is on display until 29 May 2023.

When will Council decide on the new charges?

The Ordinary Council meeting in June 2023.

Does harmonisation mean Council is putting water and sewer in my area?

Extensions to Council's existing water and sewerage networks are not part of the harmonisation process.

Frequently Asked Questions

Who pays water charges?

Water charges apply to all properties (including vacant land) that are connected to OR are within 225 metres of a Council water pipe and able to connect.

Who pays Sewerage charges?

Sewerage charges apply to all properties (including vacant land) that are connected to OR are within 75 metres of a Council sewer main and able to connect.

Why do I pay water and sewerage service charges when my property is vacant?

All customers pay water and sewerage service charges if a water and sewerage connection is available to their property. This is defined by the Local Government Act 1993.

Will the pension concession rebate continue?

Yes, the Pensioner water rebate continues unchanged.

Questions?

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