

# Another big water rate increase on the way



By Kevin Brooks, a former elected Council Leader from the UK. He is a retiree having worked in senior positions in the public and private sectors, including global banks

**CENTRAL COAST COUNCIL** water rates will rise another 12% on 1st July.

A typical water bill, based on 170kl water usage per year, will go up from \$1,414 to \$1,582.

In 2021/22, the same typical water bill was just \$1,047. This means water bills will have risen an eyewatering 51% in just 3 years.

In contrast, Sydney Water and Hunter Water will not be increasing prices at all next year. A typical water bill in Sydney remains \$1,232 and Hunter \$1,407.

Central Coast customers will be paying 28% more than Sydney Water customers, and 13% more than Hunter Water customers – and for a worse service!

**Water Rates Heading North, Service Quality Heading South**

It was back in 2021/22 that Central Coast Council (CCC) sought permission from IPART to massively increase water rates over four years.

In approving CCC's application, IPART argued the extra money was necessary for CCC to "deliver good quality water and services to its customers and improve its performance."

IPART even used widespread customer dissatisfaction with CCC's performance as a justification, naively arguing higher prices would automatically lead to better performance.

IPART ignored warnings from ratepayers that throwing extra money at inefficient organisations doesn't necessarily deliver improved performance.

Quality of management, organisational culture, productivity, and efficiency are more important.

And these warnings have been shown to be prescient based on CCC's performance results.

CCC's annual water and sewer performance report covering the first year of the price hike showed water quality complaints up 30%, unplanned service interruptions up 18%, water lost to leaks up 20%, and water main breaks up 13%.

And the latest performance report published last month shows Council well behind even its own soft targets on unplanned interruptions, main breaks, and wastewater overflows.

Customers are getting terrible value for money.

IPART's quarterly customer satisfaction surveys show CCC lagging well behind

comparator water utilities in Victoria. CCC's overall satisfaction typically ranges between 5.4 to 5.7, compared to 6.3 to 7.3 for comparable Victorian utilities.

When Sydney Water and Hunter Water were also included in the survey, they also comfortably outperformed CCC with Sydney averaging 7.1 and Hunter 6.9.

## Structural Reforms

All this has led to calls for radical solutions based on structural changes or even changes of ownership.

CCC itself commissioned Kellogg Brown and Root (KBR) to report on a limited range of structural options. In February 2022, KBR's report recommended a change of structure to a Council owned water corporation.

KBR also detailed a number of improvements that CCC should be implementing irrespective of structural change, including cost savings through integration, better budgeting and financial reporting, and improvements in performance and efficiency through better processes, systems and training for management and staff.

It was resolved that CEO David Farmer would investigate these recommendations further and report back, but he has still not reported back to Council in the subsequent two and a quarter years.

So, while Mr Farmer fiddles, ratepayers continue to burn