

Tweed Shire Council Water Supply – Action Plan Page 1

Summary

In 2015-16, Tweed Shire Council implemented all the water supply outcomes required by the *NSW Best-Practice Management Framework* and its performance has been [to be completed by Council].

Key actions from Council's Strategic Business Plan:

- Insert achievements for Key Action 1 here for Tweed Shire Council
- Insert achievements for Key Action 2 here for Tweed Shire Council

INDICATOR		RESULT ²		COMMENT/DRIVERS	ACTION
	Best-Practice Management Framework	Implemented all the Best-Practice Required Outcomes ¹	Very good	Implementation demonstrates effectiveness and sustainability of water supply business. 100% implementation is required for eligibility to pay an 'efficiency dividend'.	Finish preparing the 30-year IWCM Strategy, Financial Plan and Report in accordance with the July 2014 IWCM Check List (www.water.nsw.gov.au).
CHARACTERISTICS					
5	Connected property density	45 per km of main Highest ranking (1, 1)		A connected property density below 30 can significantly increase the cost per property of providing services, as will also a high number of small discrete water supply schemes.	
9	Renewals expenditure	0.4% Low ranking (4, 4)	May require review	Adequate funds must be programmed for works outlined in the Asset Management Plan – page 3 of the 2014-15 NSW Performance Monitoring Report.	FOR INDICATORS 9 to 56 Where ranking is low, investigate reasons including past performance and trends, develop remedial action plan and summarise in this column.
10	Employees	2 per 1,000 props Lowest ranking (5, 4)	May require review		
SOCIAL - CHARGES					
12	Residential water usage charge	285 c/kL Highest ranking (1, 1)	Good	Benefits of strong pricing signals are shown on page 5 of the 2014-15 NSW Performance Monitoring Report.	
13	Residential access charges	\$166 per assessment Highest ranking (1, 1)	Good		See 16.
14	Typical residential bill ³ (TRB)	\$637 per assessment Low ranking (4, 2)	Good	TRB should be consistent with projection in the financial plan. Drivers – OMA Management Cost and Capital Expenditure.	See 43.
15	Typical developer charges	\$13400 per ET Highest ranking (1, 1)	Good		
16	Residential revenue from usage charges	75% of residential bills High ranking (2, 2)	Good	≥ 75% of residential revenue should be generated through usage charges.	
SOCIAL – HEALTH					
19	Physical quality compliance	Yes Highest ranking (1, 1)	Very good		
19a	Chemical quality compliance	Yes Highest ranking (1, 1)	Very good		
20	Microbiological compliance ⁴	Yes Highest ranking (1, 1)	Very good	Critical indicator. LWUs should annually review their DWMS in accordance with NSW guidelines ⁴ .	

1. Council needs to annually 'roll forward', review and update its 30-year total asset management plan (TAMP) and 30-year financial plan, review Council's TBL Performance Report and prepare an **Action Plan** to Council. The Action Plan is to include any actions identified in Council's annual review of its DWMS (Indicator 20) and any section 61 Reports from DPI Water. Refer to pages 21, 98 and 102 of the 2015-16 NSW Water Supply and Sewerage Performance Monitoring Report.
2. The ranking relative to similar size LWUs is shown first (Col. 2 of TBL Report) followed by the ranking relative to all LWUs (Col. 3 of TBL Report).
3. Review and comparison of the 2016-17 **Typical Residential Bill (Indicator 14)** with the projection in the later of your IWCM Strategy and financial plan and your Strategic Business Plan is **mandatory**.
In addition, if both indicators 43 and 44 are negative, you must report your proposed 2017-18 typical residential bill to achieve full cost recovery.
4. **Microbiological compliance (Indicator 20)** is a **high priority** for each NSW LWU. Corrective action for non-compliance (≤97%), or any 'boil water alerts' must be reported in your Action Plan. Refer to pages 5, 6 and 21 of the 2015-16 NSW Water Supply and Sewerage Performance Monitoring Report (www.water.nsw.gov.au) and NSW Guidelines for drinking water quality management systems, NSW Health and NSW Office of Water, 2013.

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INDICATOR		RESULT		COMMENT/DRIVERS	ACTION
SOCIAL – LEVELS OF SERVICE					
25	Water quality complaints	4.8 per 1,000 props	May require review	Critical indicator of customer service.	
		Low ranking (4, 4)			
26	Service complaints	33.5 per 1,000 props	May require review	Key indicator of customer service.	
		Low ranking (4, 4)			
27	Average frequency of unplanned interruptions	37 per 1,000 props	Satisfactory	Key indicator of customer service, condition of network and effectiveness of operation.	
		Median ranking (3, 4)			
30	Number of main breaks	8 per 100km of main	Good	Drivers – condition and age of water mains, ground conditions.	
		High ranking (2, 2)			
32	Total Days Lost	5%	May require review		
		Low ranking (4, 5)			
ENVIRONMENTAL					
33	Average annual residential water supplied	165 kL per prop		Drivers – available water supply, climate, location (Inland or coastal), pricing signals (Indicator 3), restrictions.	
		Median ranking (3, 2)			
34	Real losses (leakage)	90 L/c/d	May require review	Loss reduction is important where an LWU is facing drought water restrictions or the need to augment its water supply system.	
		Low ranking (4, 3)			
ECONOMIC					
43	Economic Real Rate of Return (ERRR)	2.2%	Satisfactory	Reflects the rate of return generated from operating activities (excluding interest income and grants). An ERRR or ROA of $\geq 0\%$ is required for full cost recovery.	
		Median ranking (3, 3)			
44	Return on assets (ROA)	1.5%		See 43.	
		Median ranking (3, 3)			
45	Net debt to equity	-2%		LWUs facing significant capital investment are encouraged to make greater use of borrowings – page 13 of the 2014-15 NSW Performance Monitoring Report.	
		High ranking (2, 2)			
46	Interest cover	5		Drivers – in general, an interest cover > 2 is satisfactory.	
		Highest ranking (1, 1)			
47	Loan payment	\$139 per prop	Very good	The component of TRB required to meet debt payments. Drivers – expenditure on capital works, short term loans.	
		Highest ranking (1, 1)			
49	Operating cost (OMA)	\$420 per prop	Satisfactory	Prime indicator of the financial performance of an LWU. Drivers – development density, level of treatment, management cost, topography, number of discrete schemes and economies of scale.	Review components carefully to ensure efficient operating cost.
		Median ranking (3, 1)			
51	Management cost	\$190 per prop	May require review	Typically about 40% of the OMA. Drivers – No. of employees. No. of small discrete water schemes.	
		Lowest ranking (5, 4)			
52	Treatment cost	\$75 per prop	May require review	Drivers – type and quality of water source. Size of treatment works	
		Low ranking (4, 3)			
53	Pumping cost	\$28 per prop	Satisfactory	Drivers – topography, development density and location of water source.	
		Median ranking (3, 2)			
55	Water main cost	\$38 per prop	Very good	Drivers – age and condition of mains. Ground conditions. Development density.	
		Highest ranking (1, 1)			
56	Capital expenditure	\$97 per prop	May require review	An indicator of the level of investment in the business. Drivers – age and condition of assets, asset life cycle and water source.	
		Lowest ranking (5, 4)			