

Case 6:Gold Coast City

Water Pricing and Community Consultation

Gold Coast City's Water Services

- Department responsible called Gold Coast **Water**
- Assets of \$1.2 billion
- Average Age of Assets is 20 years
- Resident Population of 390,000
- 3.3 million tourists per year

Water Supply Assets

- Two Dams & Two Water Treatment Plants
- Water demand of 60 million m³ per year
- 2,700 km of Water Mains
- 185,000 properties with Water Services
- Full metering of customers water use

Sewerage Assets

- Six Sewage Treatment Plants
- 11% of Sewage Treated using Advanced Nutrient Removal of Biological and Chemical
- 89%to Secondary Standard
- 2,600 km of Sewerage Mains
- 550 Sewage Pumping Stations

Gold Coast Corporate Plan

- Community Focus
 - communication and service standards
- Environmental Sustainability
 - maintain the natural environment
- Economic Sustainability

National Water Resource Policy

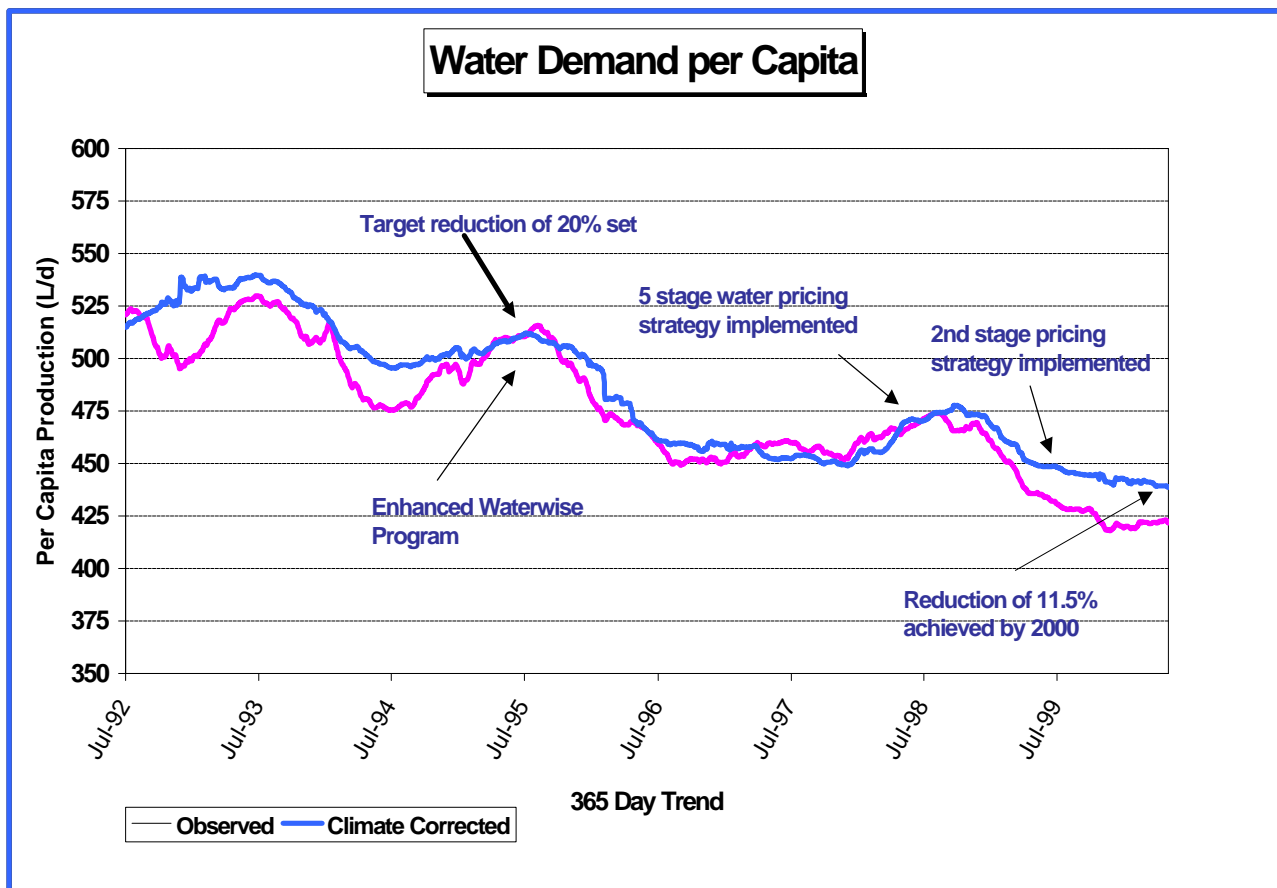
- Conform with broader national water reforms
- All water authorities to adopt a water service charge by 1998 comprising an access and usage component
- Requires full cost recovery of O&M and return on capital
- No cross-subsidies between consumers
- Assessment required of the costs and benefits of price reform on community

Conservation of water resources

- Deferral of augmentation is major benefit

- Dam augmentation was required by 2011
- Capital cost of \$75 million
- Demand management & pricing provides deferral by 10 years to 2021

Water use on the Gold Coast



Gold Coast Water Strategic Plan

2000 - 2003 targets

- 10% increase in customer satisfaction
- 3% reduction in water use per property
- 25% reduction in total nitrogen releases
- 50% reduction in phosphorus releases
- 50% increase in beneficial reuse of wastewater (currently 8%)

Gold Coast Water Environmental Report 2000

Capital Investment

- \$200 million investment in Northern Wastewater scheme:
 - environmentally acclaimed

- eliminate disposal of effluent to ocean
- beneficial reuse of byproducts to canelands and power generation
- 100% tertiary treatment of all wastewater by 2003

Pricing Strategies

- Water Pricing Reform needed to be consistent with intent of Corporate Plan
- removal of free water use allowances
- pay for use charges introduced from July 2000 for residential
- pay for use charges to be introduced for commercials by July 2001
- incentive based pricing

Considerations in determining pricing policy

- Limited regulatory intervention at present
- Majority of community wanted pay for use water charges
- Consumers have potential to reduce charges
- Water demand is price sensitive

Further Considerations

- Charges are more equitable and cost reflective
- Potential shift in revenue between consumer groups
- Phased in implementation approach

Non fiscal demand management programs

- Waterwise Communication & Education Strategy
 - to reduce water use by 20%
 - synergy with water pricing strategies
 - to increase environmental awareness
 - consultation with stakeholders
- Unaccounted for Water Program

Waterwise for Schools, Resorts and Hotels

Community Consultation

Water Pricing Community Advisory Committee in 1996

- Examine new alternatives for water pricing
- Residents, pensioners, environmentalists, businesses
- Committee recommendations to Council in 1997
- Committee report put on public display for comment
- Recommendations endorsed by Council

Other Community Advisory Committees

- Northern Wastewater Effluent Reuse Advisory Committee
- Trade Waste Advisory Committee

Community Consultation for Pricing

- Appointment of consultants to manage
- Free call telephone hotlines
- Discussion groups

- Interviews with Advisory Committee
- Interviews with top 25 commercial water users
- Telephone survey of consumers
- Fact sheets available on issues

Community Consultation (post pricing changes)

- Staffed public displays
- Brochures to all residents on pricing policy
- Residents information booklet
- Brochure on “How to read your Water Meter”
- Community group presentations
- Dedicated telephone lines for enquiries