# Byron Shire Council Water Supply – Action Plan Page 1

**Summary**
In 2015-16, Byron 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 Byron Shire Council*
- *Insert achievements for Key Action 2 here for Byron 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'.* | *Prepare a new 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* | *43 per km of main*<br>*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* | *2.9%*<br>*Highest ranking (1, 1)* | *Very good* | *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* | *0.8 per 1,000 props*<br>*Highest ranking (1, 1)* | | | |
| ***SOCIAL - CHARGES*** | | | | | |
| *12* | *Residential water usage charge* | *247 c/kL*<br>*High ranking (2, 2)* | *Good* | *Benefits of strong pricing signals are shown on page 5 of the 2014-15 NSW Performance Monitoring Report.* | |
| *13* | *Residential access charges* | *$179 per assessment*<br>*Highest ranking (1, 1)* | *Good* | | *See 16.* |
| *14* | *Typical residential bill[3] (TRB)* | *$596 per assessment*<br>*High ranking (2, 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* | *$3600 per ET*<br>*Low ranking (4, 4)* | | | |
| *16* | *Residential revenue from usage charges* | *70% of residential bills*<br>*Median ranking (3, 3)* | *Satisfactory* | *≥ 75% of residential revenue should be generated through usage charges.* | |
| ***SOCIAL – HEALTH*** | | | | | |
| *19* | *Physical quality compliance* | *Yes*<br>*Highest ranking (1, 1)* | *Very good* | | |
| *19a* | *Chemical quality compliance* | *Yes*<br>*Highest ranking (1, 1)* | *Very good* | | |
| *20* | *Microbiological compliance[4]* | *Yes*<br>*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 | 1.4 per 1,000 props<br>Median ranking (3, 3) | Satisfactory | Critical indicator of customer service. | |
| 26 | Service complaints | 0 per 1,000 props<br>Highest ranking (1, 1) | Very good | Key indicator of customer service. | |
| 27 | Average frequency of unplanned interruptions | 13 per 1,000 props<br>High ranking (2, 3) | Good | Key indicator of customer service, condition of network and effectiveness of operation. | |
| 30 | Number of main breaks | 7 per 100km of main<br>High ranking (2, 2) | Good | Drivers – condition and age of water mains, ground conditions. | |
| 32 | Total Days Lost | 0.3%<br>High ranking (2, 2) | Good | | |
| **ENVIRONMENTAL** | | | | | |
| 33 | Average annual residential water supplied | 169 kL per prop<br>Median ranking (3, 2) | | Drivers – available water supply, climate, location (Inland or coastal), pricing signals (Indicator 3), restrictions. | |
| 34 | Real losses (leakage) | 90 L/c/d<br>Low ranking (4, 3) | May require review | Loss reduction is important where an LWU is facing drought water restrictions or the need to augment its water supply system. | |
| **ECONOMIC** | | | | | |
| 43 | Economic Real Rate of Return (ERRR) | 3.1%<br>High ranking (2, 1) | Good | Reflects the rate of return generated from operating activities (excluding interest income and grants).<br>An ERRR or ROA of ≥ 0% is required for full cost recovery. | |
| 44 | Return on assets (ROA) | 3.6%<br>High ranking (2, 2) | | See 43. | |
| 45 | Net debt to equity | 11%<br>High ranking (2, 1) | Good | LWUs facing significant capital investment are encouraged to make greater use of borrowings – page 13 of the 2014-15 NSW Performance Monitoring Report. | |
| 46 | Interest cover | 3<br>Highest ranking (1, 1) | | Drivers – in general, an interest cover > 2 is satisfactory. | |
| 47 | Loan payment | $0 per prop<br>Low ranking (4, 3) | | The component of TRB required to meet debt payments.<br>Drivers – expenditure on capital works, short term loans. | |
| 49 | Operating cost (OMA) | $471 per prop<br>Low ranking (4, 2) | May require review | Prime indicator of the financial performance of an LWU.<br>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. |
| 51 | Management cost | $137 per prop<br>High ranking (2, 2) | Good | Typically about 40% of the OMA.<br>Drivers – No. of employees. No. of small discrete water schemes. | |
| 52 | Treatment cost | $21 per prop<br>Highest ranking (1, 1) | Very good | Drivers – type and quality of water source. Size of treatment works | |
| 53 | Pumping cost | | Not reported | Drivers – topography, development density and location of water source. | |
| 55 | Water main cost | $54 per prop<br>Highest ranking (1, 1) | Very good | Drivers – age and condition of mains. Ground conditions. Development density. | |
| 56 | Capital expenditure | $243 per prop<br>Median ranking (3, 2) | Satisfactory | An indicator of the level of investment in the business.<br>Drivers – age and condition of assets, asset life cycle and water source. | |