

5.6. AMENDED WATER USAGE CHARGE FOR UNTREATED WATER SUPPLY

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RECOMMENDATION

That Council adopts the amended water usage charge for residents that utilise untreated water supply within Douglas Shire.

EXECUTIVE SUMMARY

Douglas Shire Council supplies untreated water to a number of residents within the shire. The untreated water supply usage charge is the same charge as the treated water scheme per kL. Under the Water Supply (Safety and Reliability) Act 2008 and the Australian Drinking Water Guidelines if water does not meet the standards for the purposes of drinking, ice making and food preparation then the water must be boiled.

The costs to operate an untreated water scheme is lower compared to the costs to operate a treated water scheme. Untreated water schemes require less infrastructure, no chemicals, less man hours and less frequent testing routine. Meanwhile the residents are advised to boil their water for consumption, which generates an extra cost for the individuals.

Adding in an amended cost for untreated water would be a minimal reduction of income to the Council, but a good will gesture towards the residents.

BACKGROUND

Douglas Shire Council has recently received enquiries regarding the water quality and water pricing within the De Meio community.

De Meio residents receive an untreated bore water service which may not meet the standards for drinking water as defined in the Water Supply (Safety and Reliability) Act 2008 and the Australian Drinking Water Guidelines. Residents are advised to continue to boil water for the purposes of drinking, ice making, and food preparation (where food is not cooked) until otherwise notified. It is anticipated that the boil water notice will be in place indefinitely.

There are 14 active water users within the untreated De Meio scheme, but there are another 4 users within Upper Daintree, who similarly receive untreated water. Douglas Shire Council has previously not separated the costing of Water Usage between treated and untreated water supplies but is now anticipating separating the water utility cost.

COMMENT

Anticipated reduction for the Untreated Water Usage price is 20% from the Treated Water Usage price. Annual Water Access Charge is anticipated to remain the same for both treated water users and untreated water users. Table 1 below indicates the proposed amended charges for treated, untreated water and the water access charge for the financial year 19/20.

Table 1.

| Charge | Cost (FY 2019-2020) | Unit |
|------------------------------|----------------------|-------------|
| Treated Water Usage Charge | 1.51 | \$/kL |
| Untreated Water Usage Charge | 1.20 | \$/kL |
| Water Access Charge | 339.90 | \$/per year |

PROPOSAL

That Council adopts the amended water usage charge for untreated water supply within the Douglas Shire as indicated in Table 1.

FINANCIAL/RESOURCE IMPLICATIONS

The costs to operate an untreated water scheme are significantly lower compared to the operations of treated water scheme. Untreated water schemes require less infrastructure, no chemicals, less man hours and less frequent testing routine. Meanwhile the residents are advised to boil their water for consumption, which generates an extra cost for the individuals. Amending the water usage charge for untreated water would be a minimal reduction of income to the Council, but a good will gesture towards the residents.

Comparison between water prices per year and based on the average annual water usage per water service connection:

- Annual water bill for 150 kL Treated Water Usage and Water Access Charge: = \$566.4
- Annual water bill for 150 kL Untreated Water Usage and Water Access Charge: = \$519.9

Per annual average bill (150 kL usage), there would be a \$46.5 cost reduction per household utilising untreated water schemes. For the 18 active untreated water users, \$790.50 is the reduced revenue for Council.

There are other councils within Far North Queensland such as the Mareeba Shire Council that offer untreated water services at a lower usage charge.

RISK MANAGEMENT IMPLICATIONS

Residents who reside within an untreated water supply scheme may dispute the water usage charge to be not sufficient enough.

SUSTAINABILITY IMPLICATIONS

Economic: Nil

Environmental: Douglas Shire Council community requires a greater need for water resilience, security and we need to encourage our community to be water wise users of potable water for environmental sustainability.

Social: The amended water usage charge for untreated water supply within Douglas Shire Council will have a positive outcome for the council, promotes fairness and a good will gesture towards the residents.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 Initiatives:

Theme 1 - Celebrating Our Communities

1.2.4 - Network, advocate and partner with stakeholders to achieve positive outcomes.

Theme 2 - Building a Sustainable Economic Base

2.1.2 - Investigate options, resources, development and implementation of additional water infrastructure including a new reservoir.

Theme 3 - Improve Environmental Performance

3.2.2 - Investigate opportunities for efficiencies in water use including the use of recycled water.

Operational Plan 2018-2019 Actions:

2.1.2 - Additional water extraction site designed and integrated into existing water infrastructure.

5.1.1 - Determine the full cost of providing Council's Water, Sewerage and Cleansing activities and establish if these costs are being fully recovered via Council's Utility Charges.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Asset-Owner Meeting the responsibilities associated with owning or being the custodian of assets such as infrastructure.

Information Provider Bringing people together to develop solutions to problems.

Regulator Meeting the responsibilities associated with regulating activities through legislation or local law.

CONSULTATION

Internal: Consultation has been undertaken internally with Water and Wastewater.

External: Nil

COMMUNITY ENGAGEMENT

On completion of Council adopting the amended water usage charge for untreated water supply within the Douglas Shire as per indicated in table 1.

Residents who reside within Douglas Shire Council and utilise an untreated water scheme will receive a letter from Water and Wastewater department confirming the water usage amended charges.

ATTACHMENTS

Nil