



Glen Innes Severn Council

Strategic Business Plan

For

Sewerage Service

2012-2042

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Note: It is intended that in subsequent years, this Strategic Business Plan will be reviewed annually following the completion of the annual financial statements and any necessary actions will be incorporated in the following Council Operational Plan.

Revised May 2012

1. **Executive Summary**

The strategic business plan for the Glen Innes Severn Council Sewer Service is a detailed document that examines all issues associated with the sewer service including levels of service, service delivery, asset management and financial implications to ratepayers. The conclusions reached in the report will be incorporated in Council's Operational Plan.

The major item of capital work is the ongoing rehabilitation of sewer mains. A CCTV inspection of a portion of the network in 2010 revealed disturbing levels of deterioration in some mains. Rehabilitation works have been conducted since that time with the most urgent works having now been completed. Storm water infiltration remains a substantial problem, however the works already completed are demonstrating a reduction in peak wet weather flows at the sewage treatment works.

Sewerage availability charges for residential customers will increase to \$420 per year for residential customers from 1st July 2012 (from \$408 in 2010/11). It is planned that these charges will be increased annually over the life of the plan to cover annual operational costs and depreciation. Capital renewal expenditure will be planned to match depreciation, resulting in a full sustainability. Capital works will focus on mains renewal, with corresponding services to be inspected and renewed at the same time.

Council is fully committed to the implementation of Best Practice Guidelines and has been compliant with current best practice since the completion of a Trade Waste policy and Integrated Water Management Plan. This enables Council to make application to pay a financial dividend back to Council's general fund in 2012/2013.

The construction of the new treatment works in 2007 has provided a high quality source of water suitable for reuse. It is planned to make water available for proposed wind farm construction activities. It is also proposed that effluent be reused on site taking advantage of the high agricultural quality land in the immediate vicinity of the plant. It is hoped that in the medium term Council will be able to attract or develop an intensive business operation that will take full advantage of the available water.

Council also has plans to compost biosolids with green waste transported from the landfill, together with livestock manure from the saleyards. Trials are underway to this effect.

2. Introduction

The strategic business plan for the Glen Innes Severn Council Sewer Service is a detailed document that examines all issues associated with the sewer service including levels of service, service delivery, asset management and financial implications to ratepayers. The conclusions reached in the report will be incorporated in Council's Operational Plan.

The annual review of the plan also gives Council the opportunity to review all current policies associated with the sewer service.

The original Strategic Business Plan was adopted in 1999 (Glen Innes Municipal Council) and is reviewed here.

Glen Innes Municipal Council and Severn Shire Council amalgamated voluntarily in September 2004. Only one village in Severn Shire has sewerage services (a common effluent scheme), that being Deepwater with a population of approximately 330.

3. Mission Statement

Council's mission statement has been defined as follows:

To provide a cost effective sewer service that satisfies all statutory requirements, meets the levels of service to which the customers have agreed, and for which they are prepared to pay. Council will strive to improve the efficiency of sewer reticulation and treatment systems. The service will be environmentally sensitive, protect public health and be of benefit to both present and future customers.

4. Operating Environment

4.1 Management

The sewer service is controlled and administered by the Glen Innes Severn Council. Proposed expenditure and projected income are determined prior to the commencement of the financial year when Council's annual budget is adopted. The community has the opportunity of commenting on any proposals within the budget during the statutory 28 day public exhibition phase of Council's operational plan.

4.2 Existing Infrastructure

Glen Innes

The Glen Innes sewerage treatment works is an intermittently decanted extended aeration type (IDEA) and was constructed in 2007. It has served the town (population 6600) well by treating effluent to the standard imposed by the Environment Protection Authority under license no. 576 for discharge into the adjacent Furracabad Creek.

The sludge drying beds were upgraded at the time of augmentation, however have proved to be of insufficient capacity to cope with the volume of sludge produced by the new plant. A volute dehydrator system is under construction to alleviate this problem.

The reticulation system consists of sewer mains in various diameters between 150 mm and 600 mm and various materials (concrete, asbestos cement, pvc) and many of the pipelines date back to the original scheme which was constructed in the 1930's (refer Appendix A for summary).

A total of 5 small package pump stations service areas that are unable to be serviced with gravity mains.

Deepwater

The Deepwater Sewerage system is a Common Effluent system whereby premises have a septic tank and the liquid overflow is collected in a reticulation system and treated at a series of 4 oxidation ponds. The treatment capacity is 500 EP.

The reticulation system consists of pvc mains with a diameter of 150mm and 2 pump stations and services an area of 87 hectares. It was constructed in 1968.

The villages of Emmaville, Red Range, Glencoe and Wytalliba have on site sewerage systems only.

4.3 Stakeholders

The major stakeholders who impact on the business of Council's sewerage service are:

- Existing customers
- Future customers
- Glen Innes Severn Council
- Department of Energy, Utilities and Sustainability (DEUS)
- Department of Commerce
- Environment Protection Authority
- Local Government and Shires Association
- Independent Pricing and Regulatory Tribunal of NSW
- Division Of Local Government
- The General Public
- Council Employees
- Downstream Landholders

In addition, Council needs to comply with the following specific legislation:

- Local Government Act (1993)
- Protection of the Environment Operations Act (1997)
- Environmental Planning and Assessment Act (1979)
- Catchment Management Act (1989)
- Soil Conservation Act (1938)
- Public Works Act (1912)
- Work Health and Safety Act (2011)
- Independent Pricing and Regulatory Tribunal Act (1992)

4.4 Expectations of Stakeholders

Many of the expectations of the various stakeholders overlap and will therefore not be repeated in each category. Major expectations of the major players are as follows:-

Existing and future customers and Glen Innes Severn Council:

- A sewer service that is acceptable in terms of reliability, quality, quantity and price.
- A scheme that has no adverse effects on the environment.
- A scheme that does not limit the future development potential of the town
- Good service in respect to response time for dealing with problems.
- A financially sustainable capital renewal program.

Department of Primary Industries (NSW Office of Water):

- That the Government is satisfied that the funding provided under the Country Towns Water Supply and Sewerage Program will lead to the effective and efficient delivery of sewerage services and is sustainable. This is ensured by a requirement that Council implements the practices set out in "Best Practice Management of Water Supply and Sewerage Guidelines" published in the Gazette in May 2004 and subsequent updates.

Environment Protection Authority:

- A scheme that disposes of waste in a responsible manner and does not cause any harm to the environment.
- That council comply with conditions imposed on any EPA licences.

Local Government and Shires Association:

- That Council has taken into consideration the principals associated with Voluntary Structural Reform.

Independent Pricing and Regulatory Tribunal of NSW:

- That Council has a system of transparent reporting of costs and services.

Department Of Local Government:

- That Council has considered the implications of the National Competition Policy and in particular, competitive neutrality and competitive tendering.

Glen Innes Severn Council:

- That sewerage waste is collected and treated in an environmentally sensitive manner and that the system is affordable to residents.

The General Public:

- That the sewer service is safe from a public health view, that problems are rectified quickly and effectively and that the scheme is environmentally sensitive.

Council Employees:

- A healthy and safe work environment.
- Fair and consistent management practices.
- Opportunity to provide input into current and future work practices and future plans.

Downstream Landowners:

- That waterways downstream of the sewerage treatment works are not degraded.

4.5 Specific Legislative Requirements

Local Government Act (1993)

- Section 60 – Council is required to gain approval for the construction or extension of new treatment systems and effluent reuse facilities.
- Section 68 – Council approval required to carry out plumbing works.
- Sections 634 – 641 – Water supply, sewerage and drainage offences.
- Regulations – Water, Sewerage and Drainage.

Protection of the Environment Act (1997)

This new Act replaced all previous pollution control acts.

Glen Innes

- A POEA license No 576 (renewable on 1st Nov each year) is applicable to the discharge of effluent into the Furracabad Creek. The license has the following quality limits imposed on the discharge for the 90 percentile limit:

BOD	10 mg/l
TSS	15 mg/l
Ammonia	2 mg/l
Total Kjeldahl Nitrogen	10 mg/l
Phosphorous (ortho)	0.3 mg/l
G&O	2mg/l
Faecal Coliforms	200 c/100ml

- Fortnightly monitoring is undertaken for the following parameters:

Ammonia
BOD
Faecal coliforms
Nitrate + Nitrite (oxidized nitrogen)
Oil and Grease
Total Kjeldahl Nitrogen
Total Phosphorus
Total Suspended Solids
pH

- In addition, the Load Calculation Protocol requires an annual fee to be paid based on the actual load of the following assessable pollutants that are discharged to the Furacabad Creek:

BOD
Oil and Grease
Total Nitrogen
Total Phosphorus
Total Suspended Solids

Deepwater

The Deepwater effluent scheme does not have a specific POEA license.

Environmental Planning and Assessment Act (1979)

- All proposals, activities, and functions which are investigated, designed, planned, constructed, and operated by Council should be studied at all stages for their environmental impact on the basis of scale, location and performance.
- The findings of environmental studies should be reported initially in Reviews of Environmental Factors (REF), which indicate the need for further studies, their extent and depth, and the degree of public or other involvement.
- An Environmental Impact Statement (EIS) is a comprehensive report compiled from extensive studies. An EIS is required for :
 - designated developments (part IV of the EP&A Act)
 - projects that effect the environment significantly (part V of the EP&A Act)
 - when designated by a State Environmental Planning Policy or in an LEP

Catchment Management Act (1989)

- provides for the co-ordination of policies, programs, and activities as they relate to total catchment management (administered by the Minister for Energy, Utilities and Sustainability)

Soil Conservation Act (1938)

- Section 21C of the Act requires Council to protect land along the Furracabad Creek and Deepwater Creek (prescribed streams) and to prevent any destruction of trees and soil erosion on protected land.
- Section 21D of the Act requires Council to obtain an authority before damaging or destroying trees between the banks or within 20 metres of the banks of the Furracabad or Deepwater Creek.

Public Health Act (2010)

- This Act provides for the prevention of the spread of disease. Any pollution incidents must be reported immediately to the relevant authorities according to the Pollution Incident Response Management Plan..

Work Health and Safety Act (2011)

- This Act impacts on all operations, including sewerage. Council is required to provide a safe working environment and supply equipment to ensure safety.

Independent Pricing and Regulatory Tribunal Act (1992)

- The Act empowers the Independent Pricing and Regulatory Tribunal (IPART). The tribunal sets principles and guidelines related to charging for water supply and sewerage. These include:
 - charges have to reflect the cost (user pays)
 - charges have to be transparent

Water Management Act 2000

- Section 306 (3) of the Act allows for the imposition of Developer Charges. Council has implemented a Development Service Plan No.1 – Glen Innes Water and Sewerage from 1st July 2004. These charges amount to \$2442.47 per

equivalent tenement (ET) created in the sewer service area and are indexed by CPI each year.

4.6 Human Resources

The sewerage function of Council is primarily the responsibility of the Director of Development, Regulatory and Sustainability Services. It forms part of the Integrated Water and Sustainability Section within the Department and consists of the following staff:

- Manager Integrated Water and Sustainability Services
- Water and Wastewater Coordinator
- Water and Wastewater Operators (three positions)
- Water and Wastewater Field Operators (three positions)
- Casual staff as required

The Water and Wastewater Operators are fully qualified to operate the sewerage plant and are currently working a roster system to keep the plant operating every day of the year. Minimum required qualifications of staff include:

- Certificate of Competence – NSW Office of Water Sewer Operator Training Course – (Introduction and Advanced)
- Confined Spaces Certificate (NSW Workcover Authority)
- Workcover Certificate in General OHS Induction

Apart from operating the sewerage treatment works, staff carry out most functions associated with the sewer service ie., Maintenance of the pumping stations, rising mains, reticulation mains (including sewer chokes), and installation of consumer services.

Council's general Administration staff handles the administrative duties associated with raising revenue and Council's Environmental Services Section is responsible for independent wastewater quality monitoring.

4.7 Maintenance Contracts

Various specialist functions are beyond the expertise of staff and are contracted out to various professionals. The following functions fall into this category:

- Instrumentation Maintenance and Calibration. Inspections are carried out at 12 monthly intervals by ABB Kent- Taylor of Coffs Harbour.
- Electrical inspections are carried out by Wayne Williams Electrical on a six monthly basis.
- Spirac – step screen maintenance
- Aquatec Maxcon – UV Disinfection quarterly servicing
- Leichardt Engineering – Decanting Mechanism
- Specialist advice on mechanical aspects of pumps etc. – Advice sought as necessary.

4.8 Levels of Service

The levels of service associated with the Sewer Service are categorised into five specific areas:

1. Availability of service
2. System failures
3. Response time to system faults
4. Customer complaints and enquires
5. Effluent and sludge management

Specific targets for these 5 areas are as follows:

1. Availability of Service

- Connections for domestic sewage should be provided to all allotments within the service area as requested. In some cases the customer may be required to install pressure systems where gravity fall is unachievable.
- Acceptance of commercial and industrial wastes should be in accordance with specific agreements between Council and the individual discharger.

2. System Failures

The current sewer system in Glen Innes has a major stormwater infiltration problem which results in sewer surcharges after moderate rainfall events. This is currently being addressed and when completed, the following standards should be achievable:

- Controlled, expected overflows through manhole overflow pipes (due to rainfall and design) – not more than 2 times per year.
- Uncontrolled, unexpected (due to sewer chokes) – On private property, not more than once per 200 allotments per year ie. not more than 12 times per year. On public property, not more than once per 10 km of main per year ie. not more than 8 times per year.

3. Response Times to Customer Complaints of System Failure

Response time is defined as the time taken to have staff on site to commence rectification of problem after notification by public or own staff.

Priority 1 – defined as major failure to contain sewage within the sewer system and affecting more than one property:

- During normal working hours – 1 hour
- After hours – 2 hours

Priority 2 – defined as minor failure to contain sewage within the sewer system (affecting single customer)

- During normal working hours – 2 hours
- After hours – next working day

Priority 3 – defined as minor complaint such as bad odours

- Next working day

4. Customer Complaints and General Inquiries (complaints other than supply failure)

Respond to 95% of written complaints or inquiries within 10 working days.

5. Effluent and Sludge Management

The minimum performance standards for effluent discharge and sludge management are set by statutory requirements and regulations through licensing (see section 3.5)

5. Financial Planning

The Financial plan is to enable Council to meet the Levels of Service outlined in section 3.8 over the long term.

Annual expenditure is categorised as being either Operational Expenditure or Capital Expenditure. Income for Capital Expenditure is drawn from the following sources:

- Government Grants (typically a maximum of 50% subsidy)
- Sewer charges and annual charges
- Developer charges (contributions towards cost of extending mains). Council requires developers to meet the cost of extending mains to new subdivisions and the cost of works within the subdivisions. Council also has a Developer Service Plan requiring developers to contribute to standard headworks charges.
- Borrowings

Income for Operational Expenditure is limited to Sewer Charges and standard annual charges.

5.1 Sewer Charges

Fees for the sewer service are assessed on a unit basis.

The unit cost per residence is \$420.00 (as from 1st July 2012). This charge is also applied under section 501(1) of the Local Government Act to all properties within the development service zone located within 75 metres of a sewer main where gravity service is available, or where a pressure system is connected.

Non residential fees are charged according to the size of water meter as listed in Council's annual operational plan.

5.2 Proposed Capital Works

Over the course of the planning period, it is anticipated that there will be the need to carry out significant renewal works. The age profile of the sewer main assets is plotted in Appendix A1 and approximately 39% of the network was constructed in 1930 and is therefore approaching an age of 75 years. Its condition is generally poor. Council conducted an initial closed circuit camera inspection in 2010 assessing approximately 30km of main. Over seven kilometres of main was found to require major or urgent work, and a mains rehabilitation program has begun. Two stages of relining have been completed by external contractors together with renewal of mains by Council's integrated water services team. All mains categorised as requiring urgent attention have now been renewed, however approximately six kilometres of main still requires major work. Council staff will conduct replacement works where mains are easily accessed. In situations where other assets may be affected Council will engage external contractors to reline mains.

5.3 Philosophy of calculating rates and charges

Rates and charges are expected to increase in line with operational and capital renewal costs over the 30 year plan. Each year the forecast expenditure for the following twelve months will be calculated. An amount of dividend payable to the general fund and an additional allowance for depreciation of assets will be added. Charges will be set to at least cover these total costs. The depreciation amount calculated will be matched by capital renewal spending. This philosophy will ensure that Council maintains a sustainable financial position into the future.

Council will prioritise mains renewal over the life of the plan, given that the treatment works is just five years old. Some electrical and mechanical components will have to be renewed in that time, however it is not anticipated that Council will need to expend more than the annual depreciation value in any given year.

This philosophy provides a positive forecast of council's cash position in the future, as each year income and costs will be matched.

6. Action Plan

The following items are drawn from the previous version of this plan together with annual best practice review conducted by NSW Office of Water for the 2010/2011 financial year.

6.1 Infrastructure Sustainability

The business has been shown to be achieving sufficient income to cover expenses, however annual depreciation has not previously been matched by sufficient renewal expenditure. The effect of this has been to see the network deteriorate in average condition. It is necessary to increase renewal funding in the 2012/2013 financial year to replace infrastructure at a sustainable rate. This renewal program is focussed on mains and services, being the assets most in need of renewal.

6.2 Sludge Management Plan

The inadequacy of sludge drying and removal from the treatment works was demonstrated in 2010 by a serious overflow of sludge through the treatment works. Subsequent investigations revealed a design flaw in the size of the drying beds and a mechanical dewatering process (volute dehydration) is being implemented to overcome the issue. It is also planned to develop an approved composting operation at the site to make use of dewatered sludge in an anaerobic composting operation utilising additional biological waste from the landfill and saleyards.

The EPA requires Council to produce a report on sludge management at the sewage treatment works. The development of the volute dehydrator facility needs to be documented and submitted to the EPA within the next 12 months.

6.3 Trade Waste Policy

Council has a trade waste policy. This is generally operating well, however there is currently no EPA approved receiving facility for grease trap pump out waste. Council needs to develop a facility that will allow this waste to be disposed of in accordance with best practice. Ideally the value of the waste as a fuel source or other reuse option will be identified and developed.

6.4 Development Service Plan

The Development Service Plan for Glen Innes Water and Sewerage needs to be reviewed within the next 12 months.

6.5 Integrated Water Cycle Management Plan

This plan has been created and should be reviewed in 2013/2014.

Summary

In 2010-11, Glen Innes Severn Council complied with all the sewerage requirements of the *NSW Best-Practice Management Guidelines* and its performance has been acceptable. The following table is produced by NSW Office of Water and has been used to assist Council develop the action plan.

INDICATOR		RESULT ²		COMMENT/DRIVERS	ACTION
	Best-Practice Management Guidelines	Complied with all the Best Practice Requirements ¹	Very good	Compliance demonstrates effectiveness and sustainability of water supply and sewerage business. 100% compliance is required for eligibility to pay an 'efficiency dividend'.	
CHARACTERISTICS					
5	Connected property density	29 per km of main	Lower than the statewide median of 40	A connected property density below about 30 can significantly increase the cost per property of providing services.	
7	Renewals expenditure	0.7% Highest ranking (1, 2)	Very good	Adequate funds must be programmed for works outlined in the Asset Management Plan – page 3 of the 2010-11 NSW Performance Monitoring Report.	FOR INDICATORS 7 to 57 Where ranking is low, investigate reasons including past performance and trends, develop remedial action plan and summarise in this column.
8	Employees	1.2 per 1,000 props High ranking (2, 2)	Good		
SOCIAL – CHARGES					
1 2	Typical residential bill ³ (TRB)	\$408 per assessment Highest ranking (1, 2)	Review	TRB should be consistent with projection in the financial plan, and should achieve full cost recovery. Drivers – OMA Management Cost and Capital Expenditure.	See 46.
1 3	Typical Developer Charges	\$2440 per ET Low ranking (4, 4)			
1 4	Non-residential sewer usage charge	90c/kL Lowest ranking (5, 4)	Review		Non-residential sewer usage charges raised by CPI only – not considered appropriate to increase costs to small business at this time.
SOCIAL - HEALTH					
1 6	Urban Properties without reticulated	15.1% Lowest ranking (5, 5)	May require review		This figure reflects the number of undeveloped lots within the urban area. The number of on-site sewage

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	<i>sewerage service</i>				<i>treatment systems within the town limits is minimal.</i>
17	<i>Percent sewage treated to tertiary level</i>	99% <i>Median ranking (3, 3)</i>	<i>Satisfactory</i>		
18	<i>Percent of sewage volume that complied</i>	100% <i>Highest ranking (1, 1)</i>	<i>Very good</i>	<i>Key indicator of compliance with regulator.</i>	
19	<i>Sewage treatment works compliant at all times</i>	2 of 2		<i>Key indicator of compliance with regulator.</i>	
SOCIAL – LEVELS OF SERVICE					
21	<i>Odour Complaints</i>	0 per 1,000 <i>Highest ranking</i>	<i>Very good</i>	<i>Critical indicator of customer service and</i>	
22	<i>Service complaints</i>	19 per 1,000 <i>High ranking</i>	<i>Good</i>	<i>Key indicator of customer service.</i>	
23	<i>Average Duration of a Interruption</i>	40 minutes <i>Highest ranking (1, 1)</i>	<i>Very good</i>	<i>Key indicator of customer service, condition of network and effectiveness of operation.</i>	
25	<i>Total Days Lost</i>	0% <i>Highest ranking</i>	<i>Very good</i>		

1. Review of Council's TBL Performance Report and Preparation of an **Action Plan** to Council required annually.
Strategic Business Plan review and update required after 4 years. **Financial Plan** update required annually.
IWCM Strategy review and update required after 8 years. **Liquid Trade Waste Regulation Policy** in accordance with the 'NSW Liquid Trade Waste Regulation Guidelines, 2009' required. **Development Servicing Plan** review and updating is required after 5 years.
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 2011-12 Typical Residential Bill (Indicator 12) with the projection in your Strategic Business Plan is mandatory.
In addition, if both indicators 46 and 46a are negative, you must report your proposed 2012-13 typical residential bill to achieve full cost recovery.

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INDICATOR		RESULT		COMMENT/DRIVERS	ACTION
ENVIRONMENTAL					
26	Volume of sewage collected per property	219 kL Highest ranking (1, 1)		Compare sewage collected to water supplied.	Continue to undertake renewal of sewer mains to reduce infiltration.
27	Percentage effluent recycled	12% Median ranking (3, 3)	Satisfactory	Key environmental indicator. Drivers – availability of potable water, demand, proximity to customers, environment.	Prepare for sales of reuse water to planned wind farm construction projects. Develop reuse program at STP.
28	Biosolids reuse		Not reported	Key environmental indicator.	Develop composting program for biosolids, greenwaste and sale yard solid waste.
32	Net Greenhouse gas emissions (WS & Sge)	240 t CO2/1000 props High ranking (2, 2)	Good	Drivers – gravity vs pumped networks, topography, extent of treatment.	Power factor correction equipment installed at Beardy Pump Station.
34	Compliance with BOD in licence	100% Highest ranking (1, 1)	Very good	Key indicator of compliance with regulator requirements.	Nil required
35	Compliance with SS in licence	100% Highest ranking (1, 1)	Very good	Drivers – algae in maturation ponds, impact of drought.	Nil required
36	Sewer main breaks and chokes	53 per 100km of main High ranking (2, 3)	Good	Drivers – condition and age of assets, ground conditions.	Continue mains and services renewal program to improve average main condition and eliminate tree root intrusion
37	Sewer overflows to the environment	53 per 100km of main Low ranking (4, 5)	May require review	Drivers – condition of assets, wet weather and flooding.	Continue mains and services renewal program to improve average main condition and eliminate tree root intrusion
39	Non-residential percentage of sewage collected			For non-residential, compare % of sewage collected to indicator 43 (% of revenue).	Nil required

ECONOMIC					
4 3	Non-residential revenue		Not reported	See 39 above.	
4 6	Economic Real Rate of Return (ERRR)	-0.2% Lowest ranking (5, 4)	Review	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.	Review and increase 2012-13 charges to achieve full cost recovery. See Footnote 3 on page 1.
4 6 a	Return on assets	-0.1% Lowest ranking (5, 4)		See 46.	See 46.
4 7	Net debt to equity	-1% High ranking (2, 2)		LWUs facing significant capital investment are encouraged to make greater use of borrowings – page 13 of the 2010-11 NSW Performance Monitoring Report.	
4 8	Interest cover	0 Lowest ranking (5, 5)		Drivers – in general, an interest cover of > 2 is satisfactory.	See 46.
4 8 a	Loan payment	\$87 per prop High ranking (2, 2)	Good	The component of TRB required to meet debt payments. Drivers – expenditure on capital works, short term loans.	Nil required
5 0	Operating cost (OMA)	\$314 per prop High ranking (2, 2)	Good	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 carefully to ensure efficient operating cost.
5 2	Management cost	\$163 per prop Low ranking (4, 5)	May require review	Drivers – number of discrete schemes, number of employees. Typically about 40% of OMA.	Aged network requires considerable management input for the foreseeable future
5 3	Treatment cost	\$117 per prop Median ranking (3, 3)	Satisfactory	Drivers – type and level of treatment, economies of scale.	Nil required
5 4	Pumping cost	\$6 per prop Highest ranking (1, 1)	Very good	Drivers – topography, development density, effluent recycling.	Power factor correction equipment installed at Beardy Pump Station resulting in saving of ~30%

5 6	<i>Sewer main cost</i>	<i>\$21 per prop Highest ranking (1, 1)</i>	<i>Very good</i>	<i>Drivers – topography, development density, effluent recycling.</i>	
5 7	<i>Capital expenditure</i>	<i>\$80 per prop Low ranking (4, 4)</i>		<i>An indicator of the level of investment in the business.</i>	<i>Increased in 2012/2013 budget to ensure sustainability.</i>

Bibliography

Information for this report has been extracted from a number of formal reports prepared for Council by various consultants in recent years. These include:

- *Glen Innes Severn Council Draft Operational Plan for 2012/2013 which will be adopted in late June, 2012.*
- *Strategic Business Plans for Water Supply and Sewerage Schemes: Guidelines for Preparation, Public Works, Nov 1993*
- *SGE Action Plan 2010/2011 NSW Office of Water.*