

# Attachment B

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## WAMC self-assessment against IPART's 3Cs grading rubric

30 September 2024



Natural Resources  
Access Regulator



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# 1 WAMC self-assessment against IPART’s 3Cs grading rubric

This attachment presents an overview of our self-assessment against each of IPART’s 3Cs principles and its grading rubric in its July 2023 Water Regulation Handbook (Handbook).

Our proposal is consistent with the key principles of IPART’s 3Cs regulatory framework and required content as outlined in IPART’s Handbook, although tailored to reflect WAMC’s unique role and circumstances.

Below we self-assess against IPART’s expectations of a ‘**Standard**’ rated proposal.

Overall, we consider our proposal should receive a ‘**Standard**’ rating.

## 1.1 Customer centricity

How well have you integrated customers’ needs and preferences into the planning and delivery of services, over the near and long-term?

Standard expectations	How this proposal meets these expectations?
<b>Develop customer engagement strategy:</b>	
<ul style="list-style-type: none"><li>• The business has a published customer engagement strategy which:<ul style="list-style-type: none"><li>— sets out how it seeks to understand what matters to customers, and identifies the outcomes that maximise long-term customer benefit at an efficient cost</li><li>— considers the level of influence customers have in how services are delivered</li><li>— identifies the role of customer engagement in understanding customer preferences</li><li>— commits to engage with customers in the pricing proposal and for major investments.</li></ul></li><li>• The strategy should be well structured and easy for customers to follow, and articulate clear roles and responsibilities of customers, regulator(s) and business.</li></ul>	<ul style="list-style-type: none"><li>• WAMC has a published Customer Engagement Charter (Attachment C), which sets out how the 3 WAMC agencies engage with customers to inform WAMC pricing proposals</li><li>• WAMC has an Engagement Outcomes Report (Attachment D), which summarises our customer and stakeholder consultation and how this informed this price proposal</li><li>• Each WAMC agency also has its own stakeholder engagement strategy, which is available on its website.</li><li>• These documents are well structured, easy for customers and stakeholders to follow, explain roles and responsibilities, and address the expectations of IPART’s “Standard” grading.</li></ul>

Standard expectations	How this proposal meets these expectations?
<b>Customers influence business outcomes:</b>	
<ul style="list-style-type: none"> <li>Customer insights and engagement influence customer outcomes, inform business decisions, and short, medium and long-term plans.</li> </ul>	<ul style="list-style-type: none"> <li>Chapter 2 of this proposal and WAMC's Engagement Outcomes Report (Attachment D) provide an overview of our customer and stakeholder consultation and how this informed this WAMC price proposal and also how this informed the proposed WAMC outcome measures (Attachment E).</li> <li>Each WAMC agency's stakeholder engagement strategy explains how they engage with customers and other stakeholders to inform their decisions and plans, and the systems they have in place to receive, consider and respond to customer and stakeholder feedback.</li> </ul>
<b>Processes support customer centricity:</b>	
<ul style="list-style-type: none"> <li>Systems in place to respond to ongoing customer feedback.</li> <li>Consumer facing businesses propose assistance programs for customers experiencing vulnerability (e.g. hardship programs, payment plans, access to concessions or other)</li> </ul>	<ul style="list-style-type: none"> <li>The WAMC agencies have systems in place to receive, consider and respond to ongoing customer and stakeholder feedback. For example, the department has a 'have your say webpage', which allows stakeholders to have their say on draft water management plans via a variety of consultation methods (e.g., survey or email).</li> <li>WaterNSW publishes information on arrangements for customers facing financial hardship (including its Debt Management Code of Practice) - which includes payment plans.</li> </ul>

## 1.2 Customer engagement (focus principle)

Are you engaging customers on what's most important to them, making it easy for customers to engage by using a range of approaches to add value?

Standard expectations	How this proposal meets these expectations?
<b>Engage on what matters to customers:</b>	
<ul style="list-style-type: none"> <li>Select issues for engagement that matter to customers</li> </ul>	<ul style="list-style-type: none"> <li>We 'looked back' at what we've heard through customer engagement during the current determination period and identified themes to help design engagement for the pricing proposal (see an overview of our engagement approach in</li> </ul>

Standard expectations	How this proposal meets these expectations?
	Chapter 2 and more information in the WAMC Engagement Charter at Attachment C and the WAMC Engagement Outcomes Report at Attachment D).
<b>Choose appropriate engagement methods:</b>	
<ul style="list-style-type: none"> <li>• Suitable consultation method/s have been chosen to reach a representative customer base and/or their advocates, such as renters, homeowners, vulnerable groups, and businesses.</li> <li>• Opportunities for 2-way communication with customers exist.</li> <li>• Scope of engagement proportional to the level of expenditure and the impact of the project.</li> </ul>	<ul style="list-style-type: none"> <li>• We conducted customer, public and stakeholder research through surveys and interviews.</li> <li>• We established regional Water Working Groups, made up of customers and community members to seek views and feedback to help inform the proposal over 3 sessions.</li> <li>• We engaged with Aboriginal stakeholders through a listening tour and future engagement will be through recently established regional Aboriginal Water Committees.</li> <li>• Further information on the engagement methods we used to inform this proposal is available in Chapter 2 and Attachment D (WAMC Engagement Outcomes Report)</li> </ul>
<b>Engage effectively:</b>	
<ul style="list-style-type: none"> <li>• Unbiased, clear explanation of context and objectives.</li> <li>• Participants are informed of the impact of their feedback.</li> <li>• Engagement is easy to understand, and customers' understanding is tested and where relevant, technical literacy/capacity is supported for effective engagement.</li> <li>• Culturally and linguistically diverse groups are supported in their engagement.</li> <li>• Information is accurate, objective, tells the whole story and is correctly targeted to its audience.</li> <li>• Clear explanations of investment options, service levels, and uncertainties.</li> </ul>	<ul style="list-style-type: none"> <li>• To inform this pricing proposal, we have engaged effectively, providing clear and accurate information to a diverse and representative range of stakeholders and customers, through various engagement mechanisms.</li> <li>• Information on how we engaged is provided in Chapter 2, the WAMC Engagement Charter at Attachment C and the WAMC Engagement Outcomes Report at Attachment D.</li> </ul>

## 1.3 Customer outcomes (focus principle)

How well does your pricing proposal link customer preferences to proposed outcomes, service levels and projects?

Standard expectations	How this proposal meets these expectations?
<b>Customers drive outcomes:</b>	
<ul style="list-style-type: none"> <li>• Propose outcomes, based on customer engagement, that capture what customers want you to deliver.</li> <li>• Link proposed expenditure to these outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• WAMC’s Engagement Outcomes Report (Attachment D) summarises our customer and stakeholder consultation and how this informed this WAMC price proposal and also how this informed the proposed WAMC outcome measures, including how we will measure and report on customers’ assessment of our performance in the determination period (Attachment E).</li> <li>• Chapter 2 of this proposal includes:               <ul style="list-style-type: none"> <li>— an overview of our customer and stakeholder consultation and how this informed this WAMC price proposal</li> <li>— key water management outcomes, linked to customer engagement and our proposed expenditure allowances, which we will publicly report against each year.</li> </ul> </li> </ul>
<b>Performance measures support outcomes:</b>	
<ul style="list-style-type: none"> <li>• Propose performance measures for each outcome.</li> <li>• Propose performance targets for each measure, referencing IPART’s principles, with:               <ul style="list-style-type: none"> <li>— internally consistent short-, medium- and long-term targets</li> <li>— targets justified based on past performance and other suitable industry benchmarks</li> <li>— targets that, at a minimum, meet customer protection operating licence standards and other regulatory requirements.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Chapter 2 of this proposal includes proposed:               <ul style="list-style-type: none"> <li>— performance measures for each outcome</li> <li>— performance targets for each measure, informed by past performance, customer engagement and our legislative responsibilities.</li> <li>— How we will report on the performance measures</li> </ul> </li> <li>• Attachment E also provides more information about our performance measures.</li> </ul>
<b>Accountability for customer outcomes:</b>	
<ul style="list-style-type: none"> <li>• Clear mechanisms ensure the business is accountable for delivering outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• As outlined in Chapter 2 and 11 of this proposal, we will annually report our performance and</li> </ul>

Standard expectations	How this proposal meets these expectations?
	<p>progress against key water management outcomes.</p> <ul style="list-style-type: none"> <li>• A key element of our proposal is to enhance the provision of information to customers and stakeholders, to improve transparency around key water management decisions and hold ourselves to account for our water management performance (see Chapters 2, 3 and 4).</li> <li>• Key elements of WAMC's performance are also subject to review and scrutiny by entities such as the NRC, which hold us accountable for delivering required water management outcomes.</li> </ul>

## 1.4 Community

Are you engaging with and considering the broader community to understand their objectives, including traditional custodians of the land and water, while ensuring services are cost-reflective and affordable today and in the future?

Standard expectations	How this proposal meets these expectations?
<p><b>Identify community outcomes:</b></p> <ul style="list-style-type: none"> <li>• Engage with, and consider the broader community, including Aboriginal and Torres Strait Islander peoples, to identify community outcomes.</li> <li>• Assess the benefits and costs to the customer of delivering on broader community values, as they relate to the provision of regulated services.</li> <li>• Consider costs/benefits and bill impacts before proposing expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>• Members of the broader community form part of WAMC's customer base as everyone in NSW has an interest in sustainable management of the state's water resources and taxpayers pay a share of the cost.</li> <li>• We have engaged with, and considered the views of the broader community, including Aboriginal peoples, to inform our delivery of water management activities and services and our development of this pricing proposal (see Chapter 2, our Customer Engagement Charter at Attachment C and our Customer Engagement Outcomes Report at Attachment D).</li> <li>• Our activities over the 2025 determination period are focused on fulfilling our legislative responsibilities to sustainably manage water resources for the community, including the appropriate sharing of water between the environment and water users.</li> </ul>

Standard expectations	How this proposal meets these expectations?
	<ul style="list-style-type: none"> <li>We have considered costs/benefits and bill impacts before proposing expenditure. Our proposal reflects the efficient costs of achieving our core legislative responsibilities to sustainably manage the State’s water resources. Where there is discretion in how we exercise how legislative responsibilities, we have drawn on customer and community views. For example, community engagement has informed our approach to compliance and enforcement, including the greater focus on education and outreach activities.</li> <li>Our proposal seeks to avoid bill shocks by capping annual price increases and transitioning prices towards cost-reflective levels (see Chapter 7 and Chapter 10).</li> </ul>
<b>Community outcome performance measures:</b>	
<ul style="list-style-type: none"> <li>Community outcomes have targets that are measurable, have intermediate steps and milestones built in (as needed).</li> </ul>	<ul style="list-style-type: none"> <li>We have developed outcomes, performance measures and targets that ensure we are accountable for delivering water management outcomes to the broader community (see Chapter 2 of this proposal).</li> </ul>
<b>Accountability for community outcomes:</b>	
<ul style="list-style-type: none"> <li>Clear mechanisms ensure the business is accountable for delivering community outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>As outlined in Chapters 2 and 11 of this proposal, we will annually report our performance and progress against key water management outcomes.</li> <li>A key element of our proposal is to enhance the provision of information to customers and stakeholders, to improve confidence in water management and hold us to account for our water management performance (see Chapters 2, 3 and 4).</li> <li>Key elements of WAMC’s performance are also subject to review and scrutiny by entities such as the NRC, which hold us accountable for delivering water management outcomes.</li> </ul>



## 1.5 Environment

Have you identified and met broader environmental objectives, while ensuring services are cost reflective and affordable today and in the future?

Standard expectations	How this proposal meets these expectations?
<p><b>Identify environmental outcomes:</b></p> <ul style="list-style-type: none"> <li>• Meet all regulatory requirements, including environmental requirements, at an efficient cost.</li> <li>• Follow government directions and regulatory obligations.</li> <li>• Set environmental outcomes that relate to the provision of regulated services, consistent with customer preferences, community views and waterway quality guidelines.</li> <li>• Consider long-term environmental costs/benefits and bill impacts before proposing expenditures.</li> <li>• Propose cost-efficient expenditure to manage and adapt to the impacts of climate change.</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent with our legislative responsibilities, our work program is aimed at ensuring customers have sustainable access to water resources over the long-term, while protecting the environment.</li> <li>• Chapter 2 and Attachment E (WAMC outcome measures) provide an overview of our role, key activities, objectives and performance measures – including those relating to the sustainable management of water and environmental objectives.</li> <li>• A key driver of expenditure over the current and 2025 determination periods is better understanding and incorporating the impacts of climate change into modelling and water management decisions (see Chapter 2 and a summary of WAMC activities and costs at Attachment F). This is also reflected in our proposed performance measures in Chapter 2 (e.g., one such measure is “Number of inland regulated river water sharing plans updated with integrated contemporary climate data for available water determination decisions”).</li> <li>• Chapters 3 and 4 explain our proposed expenditure allowances - which largely relate to efficiently meeting environmental and water management objectives of the Water Management Act (including, for example, responding to recommendations of the NRC, amongst other entities, and to respond to recommendations of external reviews, such as the Connectivity Expert Panel Review to improve water flowing across the connected catchments of the northern NSW Murray Basin).</li> <li>• Chapter 3 and NRAR narrative explains how NRAR meeting its regulatory responsibilities, at an efficient cost. Chapter 8 presents our proposed consent transaction charges, which recover separate costs related to activities such</li> </ul>

Standard expectations	How this proposal meets these expectations?
	as assessing potential groundwater, water resource and environmental impacts of licences and works approvals, and explain how these regulatory requirements are met, at an efficient cost.
<b>Environmental outcome performance measures:</b>	
<ul style="list-style-type: none"> <li>Environmental outcomes have targets that are measurable, have intermediate steps and milestones built in (as needed).</li> </ul>	<ul style="list-style-type: none"> <li>Our proposal includes specific performance measures and targets related to environmental outcomes (see Chapter 2) and shows which outcomes help achieve environmental objectives</li> </ul>
<b>Accountability for environmental outcomes:</b>	
<ul style="list-style-type: none"> <li>Clear mechanisms ensure the business is accountable for delivering environmental outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Our proposal includes performance measures and outcomes to ensure we are held accountable to customers and the broader community for sustainable and effective water management, including environmental outcomes (see Chapter 2).</li> <li>We are also held accountable for delivering required environmental outcomes through reviews by the NRC and other entities of our water management plans and performance.</li> </ul>

## 1.6 Choice of services

Are you providing opportunities to reflect customers' varied preferences for the tariffs and additional services they are willing to pay for?

Standard expectations	How this proposal meets these expectations?
<b>Consider differentiated service offerings:</b>	
<ul style="list-style-type: none"> <li>No requirements at Standard</li> </ul>	<ul style="list-style-type: none"> <li>Given its role in managing the State's water resources for the broader community (including current and future generations), WAMC's water management services are generally not 'discretionary' – which means it can generally not offer differentiated services to customers (e.g., where customers might opt into vary levels of services at varying prices).</li> </ul>

## 1.7 Robust costs

How well does your proposal provide quantitative evidence that you will deliver the outcomes preferred by customers at the lowest sustainable cost?

Standard expectations	How this proposal meets these expectations?
<b>Justify proposed expenditure:</b>	
<ul style="list-style-type: none"> <li>• Proposed operating expenditure (opex) is consistent with past expenditure and clearly explains any step changes or trends.</li> <li>• Proposed capital expenditure (capex):               <ul style="list-style-type: none"> <li>— is clearly explained</li> <li>— identifies baselines for recurrent expenditure and provides justification for any changes it proposes over time</li> <li>— for large capital projects with a clear scope is supported by cost-benefit analysis considering alternative options.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• We have explained variations between our actual opex and our opex allowances over the current determination period, and our proposed opex allowance for the 2025 determination period is lower than current (2023-24) efficient levels, despite a forecast increase in required water management activity across key areas (see Chapter 3, our WAMC Efficiency Strategy at Attachment H and a summary of our WAMC activities and costs at Attachment F).</li> <li>• Our proposed capex is clearly explained, we provide justification for changes over time and our large capital projects are supported by cost benefit analysis (CBAs), considering alternative options (see Chapter 4, our Efficiency Strategy at Attachment H, and a summary of our WAMC activities and costs at Attachment F, and CBAs or Business Cases on request).</li> </ul>
<b>Optimise between opex and capex:</b>	
<ul style="list-style-type: none"> <li>• Demonstrates consideration has been given to opex and capex trade-offs.</li> </ul>	<ul style="list-style-type: none"> <li>• By its nature, most water management expenditure is opex (e.g., labour costs in developing plans and policy, implementing policy and enforcing policy). However, for key expenditure items such as large capex projects, we have ensured an optimal balance between opex and capex (through robust CBAs or business cases).</li> </ul>
<b>Accountability for expenditure outcome:</b>	
<ul style="list-style-type: none"> <li>• Expenditure performance targets have been identified that maintain compliance with licence conditions, other regulatory requirements, and are consistent with customer preferences.</li> </ul>	<ul style="list-style-type: none"> <li>• We propose to publicly report against the performance measures and targeted outcomes in Chapter 2 and Attachment E of this proposal. These are consistent with our legislative responsibilities and customer preferences.</li> </ul>

## 1.8 Balance risk and long-term performance (focus principle)

How well do you weigh up the benefits and risks to customers of investment decisions, and how consistent are they with delivering long-term asset and service performance?

Standard expectations	How this proposal meets these expectations?
<b>Understand long-term performance:</b>	
<ul style="list-style-type: none"> <li>Investment and asset management decisions demonstrate a balancing of the risks and benefits to the customer and business in terms of long-term asset and service performance.</li> </ul>	<ul style="list-style-type: none"> <li>WAMC's large investment and asset management decisions (e.g., its investment in digital technology) are informed by cost benefit analysis (including the consideration of risk), to ensure that proposed expenditure generates benefits that exceed costs and reflects the least cost means of achieving required water management outcomes over the long-term.</li> </ul>
<b>Manage risks and reprioritise:</b>	
<ul style="list-style-type: none"> <li>Demonstrates all cost drivers and has mechanisms to monitor cost risks and reprioritise expenditures and asset management strategies as necessary.</li> <li>Outlines its approach to manage long-term risks, including climate change</li> </ul>	<ul style="list-style-type: none"> <li>This WAMC pricing proposal includes significant reductions in operating expenditure over the 2025 determination relative to current levels. This is achieved by applying a risk-based approach to key areas, prioritising water management activity to focus on core legislative responsibilities and addressing climate change risk in water sharing plans. See, for example, Chapter 3, the WAMC Efficiency Strategy (Attachment H), and a summary of our WAMC activities and costs (Attachment F).</li> <li>For example:             <ul style="list-style-type: none"> <li>NRAR applies a risk-based approach to its compliance and enforcement activity, to ensure its efforts are targeted</li> <li>we will apply a risk-based approach to the review of water sharing plans, focusing more resources and effort on plans that are higher risk in terms of water management outcomes.</li> </ul> </li> <li>Our proposal has also been heavily informed and influenced by long-term water strategies, which seek to optimally manage long-term risks such as climate change (e.g., see Chapter 2 for an overview of these strategic plans and Chapter 3, Chapter 4 and Attachment F for examples of how</li> </ul>

Standard expectations	How this proposal meets these expectations?
	<p>these strategic plans have informed our expenditure proposals).</p> <ul style="list-style-type: none"> <li>For example, a focus area for WAMC is incorporating the impacts of climate change into water sharing plans.</li> </ul>

## 1.9 Commitment to improve value

How much ambition do you show in your cost efficiency targets and what steps have you taken to demonstrate commitment to deliver on your promises?

Standard expectations:	How this proposal meets these expectations?
<b>Develop cost efficiency strategy:</b>	
<ul style="list-style-type: none"> <li>The business has a management approved and externally published cost efficiency strategy that includes: <ul style="list-style-type: none"> <li>an annual 'efficiency factor' across opex and capex</li> <li>productivity improvements achieved and proposed, which highlight that the business is adopting innovations</li> <li>how it has performed against current period targets.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>WAMC has a management approved and externally published Efficiency Strategy that addresses IPART's expectations for a Standard proposal, and includes: <ul style="list-style-type: none"> <li>a range of planned efficiency measures</li> <li>a continuing or ongoing efficiency factor on top of the impact of the planned efficiency measures, and</li> <li>a substantial Government mandated cost savings challenge (see Chapter 3, Chapter 4 and Attachment H).</li> </ul> </li> </ul>
<b>Accountability for cost efficiency outcomes:</b>	
<ul style="list-style-type: none"> <li>Has clear mechanisms to ensure the business is accountable for achieving its proposed cost efficiency outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>WAMC Outcome 4 relates to providing value for money and has measures to track expenditure against efficient forecasts against which we will publicly report our performance (see Chapter 2).</li> <li>WAMC is also accountable to NSW Treasury for funding of WAMC activities by Government on behalf of taxpayers.</li> </ul>

## 1.10 Equitable and efficient cost recovery (focus principle)

Are your proposed tariffs efficient and equitable, and do they appropriately share risks between the business and your customers?

Standard expectations	How this proposal meets these expectations?
<b>Propose cost-reflective prices:</b>	
<ul style="list-style-type: none"><li>Propose cost-reflective maximum prices for customers, with:<ul style="list-style-type: none"><li>modelling to justify tariffs over the next determination period</li><li>a balance of fixed and usage charges that takes into account the long run marginal cost (LRMC) of providing services.</li></ul></li></ul>	<ul style="list-style-type: none"><li>Our proposed annual caps on price increases set a reasonable pace towards cost reflective prices, while avoiding price shocks for customers (Chapter 7).</li><li>We propose to maintain the current balance of fixed (based on water entitlement) and usage charges under the two-part tariff. This is generally consistent with customer preferences (i.e., a greater share of revenue tied to water take charges than our largely fixed cost structure would suggest), but it exposes WAMC to cost recovery risk (given our costs are largely independent of water take volumes and there is significant uncertainty around forecast water take volumes).</li><li>We also propose to maintain the current geographic split of water management prices by valley/source for the 2025 determination period, as this is consistent with cost-reflective pricing.</li><li>Unlike urban water utilities, our usage (water take) prices do not need to be set with reference to the LRMC of supply to promote efficient consumption decisions, as price signals reflecting the scarcity of water are provided through the tradeable water entitlement and allocation market.</li><li>Chapter 10 presents our assessment of the impact of proposed prices on customers and the Government – including each party’s contribution to WAMC’s total efficient costs.</li><li>Attachment M presents our consideration of potential changes to the pricing framework, and an approach to reviewing this framework in the lead up to IPART’s 2030 determination of WAMC’s prices.</li></ul>
<b>Justify within-period revenue adjustments:</b>	

Standard expectations	How this proposal meets these expectations?
<ul style="list-style-type: none"> <li>Provides a robust justification for any revenue adjustments, consistent with IPART’s revenue hierarchy principles.</li> </ul>	<ul style="list-style-type: none"> <li>We do not propose any revenue adjustments, and instead would seek to manage (and, if necessary, reprioritise) within our expenditure allowance over the 2025 determination period.</li> </ul>

## 1.11 Credibility principles: Delivering

Can you provide assurance that you have the capability and commitment to deliver?

Expectations for all grades	How this proposal meets these expectations?
<p><b>Delivering:</b></p> <ul style="list-style-type: none"> <li>Proposed expenditures and service outcomes can be delivered in the timeframe proposed.</li> <li>Sets out how progress against key investments and performance targets (both short- and long-term) will be regularly monitored and communicated to its customers.</li> <li>Plans for foreseeable future challenges, including strategies for how it will reprioritise and adapt as changes arise.</li> <li>The proposal has been approved by the Board (or equivalent), who endorse that the proposal would best promote the long-term interests of its customers. The proposal has evidence of a robust assurance process to ensure the veracity of information provided to IPART.</li> </ul>	<ul style="list-style-type: none"> <li>WAMC’s has proposed an operating expenditure allowance that is materially less than current levels (see Chapter 3), even though required water management activity is forecast to increase across key areas over the 2025 determination period. WAMC’s service outcomes can be achieved with its proposed expenditure allowances by prioritising and focusing on its core legislative responsibilities.</li> <li>WAMC’s proposed capital expenditure allowance (outlined in Chapter 4) is higher than capital expenditure in the current determination period, however this is from a relatively low base. The forecast capital expenditure program is not overly large and can be delivered efficiently in the timeframe proposed. Efficiency of delivery is assessed in capital CBA, or business cases.</li> <li>Chapter 2 and Attachment E set out how our progress against key performance targets and outcomes, which are tied to our proposed expenditure allowances, will be monitored and communicated to customers and stakeholders.</li> <li>Chapter 2 provides an overview of the long-term water strategies (e.g. the NSW Water Strategy and Regional Water Strategies) that have informed this pricing proposal. Chapter 2 and the Efficiency Strategy (Attachment H) detail how the business planning framework and Government budget constraints guide how WAMC agencies prioritise and adapt when changes arise. These plans have been developed to address a range of water management</li> </ul>

Expectations for all grades	How this proposal meets these expectations?
	<p>challenges, now and into the future. The summary of our WAMC activities and costs (Attachment F) also highlight water management challenges and strategies.</p> <ul style="list-style-type: none"> <li>The leadership of the WAMC agencies stand behind this proposal and attest that it is in the long-term interests of customers, has been informed by meaningful customer engagement, would deliver water management services at lowest sustainable cost over the long-term and has been subject to a quality assurance check certifying the accuracy and consistency of the information provided in the proposal (see Attestation at Attachment A).</li> </ul>

## 1.12 Credibility principles: Continual improvement (focus principle)

Does the proposal identify shortcomings and areas for future improvement?

Expectations for all grades	How this proposal meets these expectations?
<p><b>Continual improvement:</b></p> <ul style="list-style-type: none"> <li>Justified self-assessment</li> <li>Performance targets have been monitored and communicated to customers over the previous period, consistent with past regulatory proposals. You have justified and explained past performance to customers.</li> <li>Demonstrates how experience and lessons from past determination period/s have been integrated into current and future/long-term strategies, where gaps remain, and how future plans will address these.</li> <li>Identifies any shortcomings in its proposals including its plans to address any shortfalls.</li> </ul>	<ul style="list-style-type: none"> <li>We consider our overall self-assessment of ‘Standard’ is justified (as outlined in this attachment).</li> <li>Chapter 2 and Attachment F summarise our performance over the current determination period against output measures and performance indicators, and proposed outcome measures for the 2025 determination period.</li> <li>Our proposed expenditure allowances and prices (explained in Chapters 3, 4, 7, 8 and 9) include provision for range of improvement measures, including for example: <ul style="list-style-type: none"> <li>monitoring and evaluating the performance of water sharing plans</li> <li>investing in digital technology to improve business processes and the customer experience, building on success and lessons from investment in the current period.</li> </ul> </li> </ul>



Expectations for all grades	How this proposal meets these expectations?
	<ul style="list-style-type: none"> <li>— enhancing compliance and enforcement activities through more education and outreach activities.</li> <li>• As flagged in the Efficiency Strategy (Attachment H), Digital Business Improvement Strategy investments in this period are foundational to further efficiencies to be realised in the 2030 period.</li> <li>• There is scope to improve future WAMC pricing proposals. For example: <ul style="list-style-type: none"> <li>— future WAMC pricing proposals will reflect an enhanced understanding of the implications of climate change for water management.</li> <li>— we will review our pricing framework/structure to inform the next WAMC pricing proposal, with a view to improving and simplifying this framework where possible (see Attachment M)</li> </ul> </li> </ul>