Technical Paper 11

Accountability, customer influence and self-assessment

September 2025

Central Coast Council | Water and Sewer

Contents

List of figures

List of tables

1 Key points

- Central Coast Council's (Council) 2025 submission to Independent Pricing and Regulatory Tribunal (IPART) has been self-assessed at a 'standard' ranking.
- Each of the principles under the framework are important, however Council's focus principles, being Principle 7 – Robust costs and Principle 1 – Customer Centricity, align most to our customer and community values and outcomes.
- Council's Accountability Strategy will provide information regarding the values and outcomes our community expect.
- Council's forecast expenditure has been aligned to the community values for both capital and operational costs over the determination period.
- Council conducted extensive engagement with our customers (Future Service Options) and have increased our operational expenditure to align with customer preferences. The programs involved increase water mains cleaning and installation of S-gate valves. Performance targets or water quality have been amended in accordance with increased expenditure.

Box 1 Council's approach to self-assessment

- Council has implemented the actions and processes required to satisfy IPART's intent of each principle of Customer, Cost and Credibility for a standard submission.
- Council has the required evidence and strategies to support expectations for each principle. These details are included across supporting Technical Papers.
- Council provides clear and attainable future improvements.

2 Focus principles

IPART's regulatory framework requires the Council to adhere to and provide evidence for the 12 guiding principles included in the submission.

Council’s 2025 submission is based on the expectations applicable to a standard submission. All expectations related to the 3Cs framework of Customer, Cost, and Credibility have been met. IPART also requires the Council to select two focus principles guided by community engagement.

Council’s two focus principles are:

1**. Principle 7 Robust Costs** - Delivering services efficiently and incorporating community values into forecast expenditure. This will be achieved by clearly defining measurable outcomes and investment plans that reflect our customer and community values.

2. **Principle 1 Customer Centricity** - Customers and the community influence business outcomes in relation to how Council:

- Engages with the community
- Makes information easy to understand and transparent
- Is accountable and delivers on promises
- Understands what matters (values)
- Has processes to support customers
- Improves accountability in relation to service levels and asset performance
- Is accountable for environmental outcomes and expenditure.

Council is committed to ongoing customer and community engagement as part of our ‘business-as-usual’ practice. If community values change during the pricing period, Council endeavours to pivot and realign our focus principles with new customer sentiments and priorities.

3 Accountability

Council recognises the need to improve accountability and ensure that regulatory obligations are met in relation to IPART's principles related to customers, community, environment, expenditure, and efficiency.

Council commits to being transparent in its operations, provide clear information about spending and service delivery, and engage with the community about values and outcomes.

Reports and information will be made available as part of an *Accountability Strategy* to demonstrate how Council meet their commitments and regulations.

Council's Accountability Strategy will address the principles outlined in the IPART handbook in addition to current information provided to our community in relation to:

- **Customer/community outcomes** – Principles 3 and 4: Accountability for customer and community outcomes. This includes outcomes based on customer engagement to determine what customers want Council to deliver in terms of their values.
- **Environment outcomes** – Principle 5: Accountability for environmental outcomes. This will highlight our regulatory commitments and the Council's performance in meeting environmental requirements at an efficient cost.
- **Expenditure outcomes** - Principle 7: Accountability for robust costs. Operating expenditure (opex) will be consistent with past expenditure and clearly explain any step changes or trends. It will also include expenditure related to achieving community values.
- **Efficiency outcomes** - Principle 9: Commitment to improve value. Council will have a management-approved and externally published Cost Efficiency Strategy that outlines Council's framework to identify, implement, and monitor efficiency initiatives against the following types of efficiencies:
    - Avoided Costs
    - Cost Reduction
    - Productivity Improvements

Council's commitment to improving our accountability will be guided by the following:

- Consolidating and expanding information relevant to Council's Water and Sewer Directorate.
- Providing open and transparent information addressing key areas of water and sewer, especially in relation to commitments on expenditure and delivery against the IPART principles.
- Providing the community with information pertinent to expenditure on delivered services over the determination period.
- Providing information that educates and informs the community.
- Providing information on performance targets.

- Ensuring Council’s regulatory and compliance obligations are met.

Customer preferences included in this submission have been informed by our extensive customer engagement, where expenditure reflect Council’s investments in those areas (refer to Technical Paper 1).

This paper is designed to demonstrate Council’s commitments to our customers and community through future obligations, improved targets (where indicated), and linking expenditure to activities, ensuring the right outcomes are achieved.

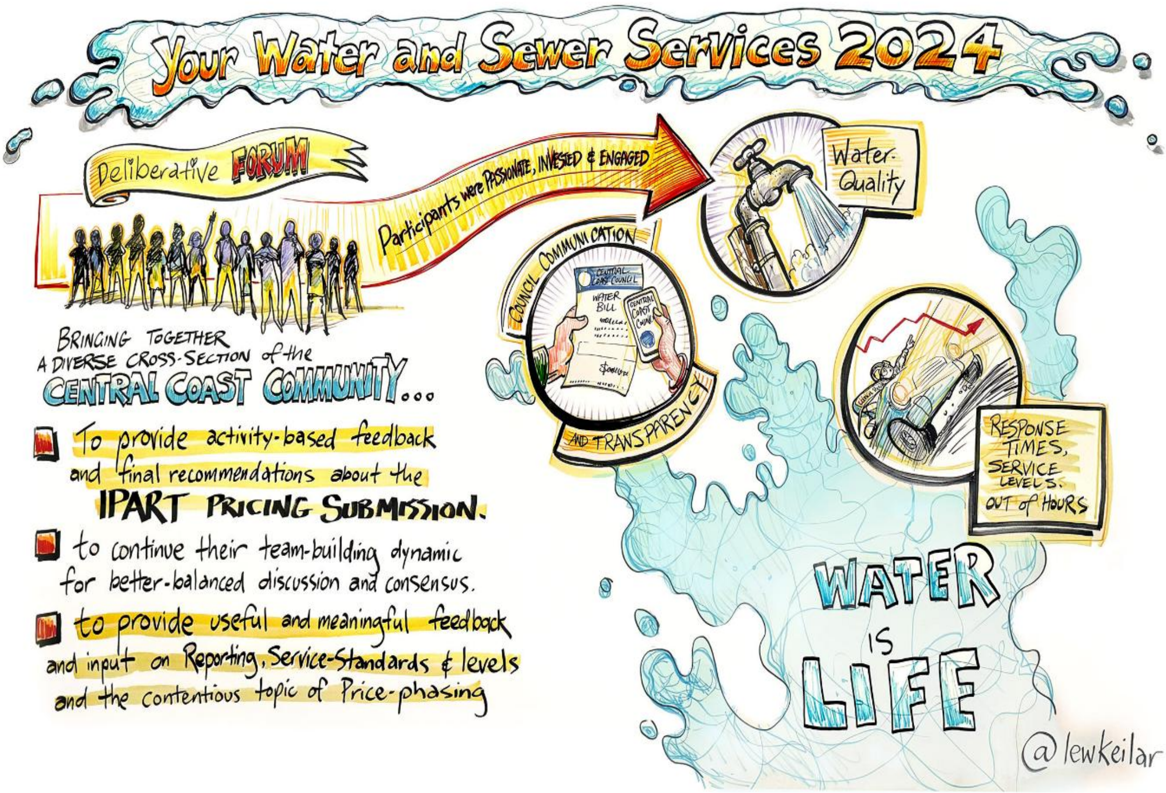


Figure 1: Community engagement ideas board from 2024 Engagement

4 How our community influence planning

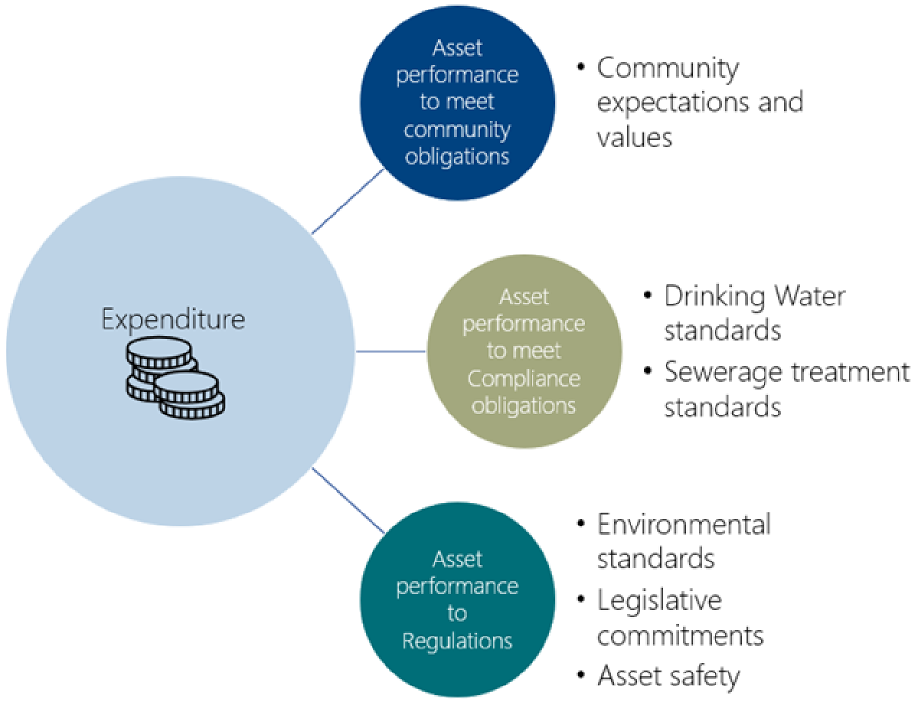


Figure 2: Community influencing planning

IPART's 3Cs framework ensures that focus is placed on the customer/community preferences and values and that these are embedded into the businesses pricing proposal. Feedback from our customers has influenced our planning and accountability, as does our asset performance, regulation, and compliance - Figure 2 Community influencing planning.

Since 2021, Council has been engaging with both our customers and community to understand their values and gain insight into their preferences related to long term investments (linked to the Central Coast Water Security Plan (CCWSP) and the Central Coast Water and Sewer Masterplan, performance and what they value in relation to the water and sewer services.

4.1 How customer/community preferences have influenced expenditure.

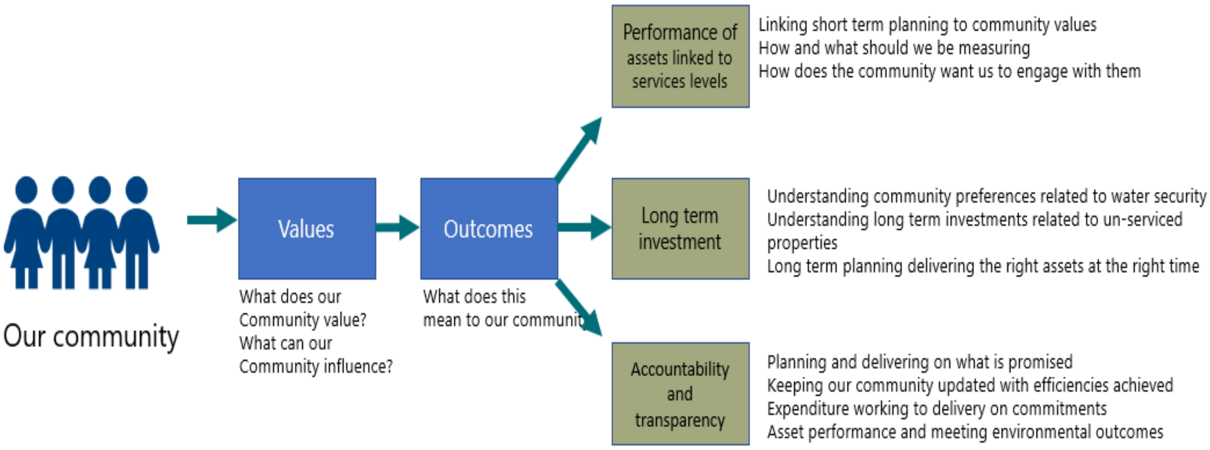


Figure 3: Values to outcomes linked to performance, investments, and accountability.

Council has listened to the feedback from our community and have identified specific activities that address the desired community outcomes - refer Figure 3 Values to outcomes linked to performance, investment and accountability, these activities will be delivered between 2026-2031. Refer Table 1 Actions related to community values.

Table 1: Actions related to community values

Value	Outcome	Activity
Water		
Good quality water	• Clean, clear, and safe to drink • Good taste and smell • Water content is tested/monitored regularly.	• Compliance with the Australian Drinking Water Guidelines. • Increase the length of mains cleaned using closed loop filter cleaning. • Online/real-time monitoring of chlorine residual at sampling points. • Increased sampling for PFAS[1] in water catchments. • Continued sampling and testing of water catchments, dams, treatment plants, trunk mains, reservoirs, and reticulation mains. • Increased reservoir cleaning. • Continued increase to hydrant flushing. • Water Mains renewal programs.
Reliable service	• Consistent water supply • Good water pressure • Well maintained network, reducing leaks	• Continue to increase planned maintenance and asset inspections. Including analysis of failure patterns to inform preventative maintenance schedules.

[1] PFAS – polyfluoroalkyl substances, a large group of man-made chemicals (also called forever chemicals)

Value	Outcome	Activity
	• Responding to faults and issues quickly.	• Engage with the community to understand their expectations regarding response times for key services. • Improve our response time management articulated in the Customer Charter. • Increased leak detection program to 2200 kms of main per annum. • Introducing twelve-hour rostered coverage to improve response time (on trial). • Continued mains renewal programs. • Developing and implementing operational strategies. • Improving SCADA[2] monitoring. • Trialling the use of S-Gate[3] valves to reduce number of properties impacted by water outages.
Affordable	• Cost efficient – keeping costs as low as possible • Consistent bills over time (predictable) • Fair allocation of costs between customers.	• Engaging with our community regarding tariff structures. • Implementation of Council's Water and Sewer Cost Efficiency Strategy. • New water and sewer concessions and rebate policy (on exhibition). Creating a single, streamlined approach to providing financial assistance for customers facing hardship due to home dialysis, concealed leaks, or sewer connection costs. • Using Council cash reserves to assist in bill affordability.
Effective planning	• Have enough water for increased population. • Using a variety of resources for non-drinking purposes and to deal with varied climate conditions. • Collecting and reusing more water at household.	• Asset management driven projects support growth and development. • Water security and resilience. • Annual renewals program for aging infrastructure. • Long term strategies aligned to the Central Coast Council Water Security Plan (CCCWSP).
Environmental focus	• Protecting the natural environment within catchment basin.	• Implementation of Council's Environmental Management System. A procedure describing Council's approach to environmental incident management to ensure the effective, consistent, and timely response to and reporting of environment incidents. • Assessing all infrastructure activities with reference to the NSW Environment Protection Authority (EPA) Regulations. The

[2] SCADA Supervisory Control and Data Acquisition a system that monitors and controls water distribution network including water reticulation, reservoirs and pump stations. sewage collection and treatment.

[3] S-Gate valve is an innovative product where a resilient seated valve can be installed under pressure on pipes.

Value	Outcome	Activity
		assessment includes impacts to flora, fauna, biodiversity, water, soil, heritage, community and social. • Vegetation clearing offsets. • Impact assessments with mitigation plans to protect waterways, biodiversity, threatened species and heritage. • Routine water quality monitoring to understand background environmental conditions. • Disturbance to ground or trees assessments as well as impacts to Aboriginal heritage. • Weed management in dam catchments. • Biodiversity monitoring and recording through dam catchments. • Climate change risk and adaption – long term plans to include infrastructure resilience, reduction of emissions and renewable energy.
Transparency and education	• Providing clear, easy to understand information and good communication. • Raising community awareness about water supply and water conservation. • Transparent pricing and costs – showing where money is spent. • Greater public trust that Council has the expertise and resources needed to deliver on its promises.	• Flow Forward and Love Water education campaigns fostering long-term habits of water use, helping schools cut water waste, fix leaks, and lower water costs. • Accountability Strategy that links expenditure to community values and shows progress against our commitments made in our pricing proposal. • Continued information regarding progress against our Delivery Plan and Performance
Sewer		
Quality treatment	• No health impacts on customers or workers • Suitable effluent quality • Minimal odours.	• Kincumber STP - Installation of new dewatering facility • Charmhaven STP - major augmentation works to improve removal of nitrogen and solids to the outfall at Norah Head • Improvement in septicity management in the Toukley STP catchment areas in addition to refurbishment of the odour control bed at the inlet works. • Climate Change Action Plan (CCAP) actions to address impacts of climate change and greenhouse gas emissions.
Reliable service	• Minimal overflows, broken pipes -responding quickly to issues.	• Use of new and innovative p-CAT[4] technology for the condition assessment of large sections of Charmhaven and Wyong

[4] P-CAT - is a non-invasive, non-destructive technology for performing pipe condition assessment.

Value	Outcome	Activity
	• Suitable infrastructure, well maintained.	South Effluent Disposal Mains (EDM). This allows Council to perform the site works related to condition assessment of these critical sewer mains within a couple of days with minimal environmental impacts. No excavation is required to physically expose the mains for pipeline scanning as with older condition assessment techniques. • Using pushrod cameras allowing operators to quickly get a visual inspection to ascertain what is causing the sewer blockage and how to best clear the blockage. Can be used to find illegal connections as well as damage from third party damage • Improve the safety, efficiency, and accuracy of sewer inspections, using a custom-built, remote-controlled vehicle (ROV). It has successfully scanned more than 640m of sewer pipe between Terrigal and North Avoca (the longest stretch a vehicle of this type has ever completed). • Development of both the Dry and Wet Weather Surcharge Strategies.
Affordable	• Cost efficient – keeping costs as low as possible for customers • Fair allocation of costs between customers.	• Engaging with our community regarding the tariff structure (lower service charge/higher usage charge or vice versa). • Implementation of Council's Cost Efficiency Strategy. • New water and sewer concessions and rebate policy (on exhibition). Creating a single, streamlined approach to providing financial assistance for customers facing hardship due to home dialysis, concealed leaks, or sewer connection costs. • Using Council cash reserves to assist in bill affordability.
Effective planning	• Long-term planning to ensure the sewer service is sufficient for future needs • Using the latest technology/innovations/learning from other countries • Adaption to changing climate.	• Emission reduction strategies. • Odour and Corrosion Strategy with a view to reduce unpleasant odours and corrosion. • Asset Resilience Strategy to ensure asset infrastructure can withstand impacts of climate change and other natural events.
Environmental focus	• Protecting the oceans and marine life • Using renewable power for treatment plants • Greater use of biosolids.	• Benthic study to assess the ocean condition at Council's three (3) ocean outfalls. • The Biosolids Strategy which reviews better use of biosolids for energy generation.

Value	Outcome	Activity
Transparency and education	• Providing clear easy to understand information and good communication. • Raising community awareness – what to put down the toilet, implications of not doing this, what happens to waste. • Transparent pricing and costs – what the service fee is made up of. • Easier accessible water safety ratings for beaches and recreation areas. • Greater public trust that Council has the expertise and resources needed to deliver on promises.	• Dunny Do's and Dunny Don'ts educational campaign to raise awareness about responsible toilet and sink habits. The initiative highlights the dangers of flushing inappropriate items down the toilet, such as wipes and sanitary products, and the significant impact these actions have on the sewerage system and the environment. • Accountability Strategy that links expenditure to community values and show progress against our community promises. • Continued information regarding progress against our Delivery Plan and Performance.

4.2 Improving our performance

Our community engagement included discussion on Water and Sewer's performance targets.

Following the discussions about performance measures, participants were provided with information on the targets set by IPART and the performance of Council on five of the existing measures.

Participants were asked to provide feedback on the targets set for Council by IPART.

Of the five performance measures presented, it was deemed most important that Council improves the target for the number of water quality complaints per 1,000 properties (43% very important) refer Table 2 below. It was noticeable to participants that Council was not performing as well as Barwon Water or Hunter Water Corporation and more could be done to improve performance in this area.

Table 2: Performance measures and customer feedback

Performance measure	Current performance	Current target	Customer feedback
Average duration of unplanned outages	158 mins	140 mins	No comment from participants however Council has reduced the duration from 203 minutes to 158.
Number of unplanned water outages per 1,000 properties	129	115	Majority of participants satisfied with current target.
Number of water main breaks and bursts per 100 km main	14.76	14	No target stated but agreed to be lowered and performance improve regarding future planning.
Number of sewer main breaks and chokes per 100 km main	38	30	No target stated but agreed to be lowered and performance improve regarding future planning.
Number of water quality complaints Per 1000 properties	3.89	7	Community agreed target to be lowered no specific target set. Council is proposing a new target of 5.

Participants also questioned Council (and IPART) around whether the current targets set are realistic and achievable. In particular, the number of unplanned outages, as Council is currently failing to achieve that target.

5 Summary of expenditure profiles

To effectively link water and sewer expenditure to community values, Council can reference the *2024 Community Engagement Outcomes Report*, which outlines priorities like good quality water and sewage treatment, reliable service, affordability, and environmental focus. By integrating these priorities into its Accountability Strategy, Council can demonstrate how its financial decisions align with community expectations.

5.1 Our capital works program

Council's total capital expenditure for the determination period (2026-31) totals approximately $577M ($2025-26) as shown in Table 3. Table 4 shows the breakdown of capital expenditure against the community values across the proposal period. Figure 4 and Figure 5 show the percentage of capital expenditure linked to our community values for water and sewer respectively.

Table 3: Proposed capital expenditure linked to community values

Value	Total Capital expenditure $M ($2025-26)	Percentage
Water		
Effective planning	26.2	23%
Good quality water	0.5	0%
Reliable service	86.2	76%
Total	**112.9**	**100%**
Sewer		
Effective planning	290.8	63%
Quality treatment	49.5	11%
Reliable service	124.6	27%
Total	**464.9**	**100%**

Table 4: Proposed capital expenditure linked to community values $M $2025-26

Value	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Water						
Effective planning	1.1	4.0	4.9	10.4	5.8	**26.2**
Good Quality Water	0.3	0.3	0.0	0.0	0.0	**0.5**
Reliable service	10.8	14.9	16.6	20.5	23.3	**86.2**
Total	**12.2**	**19.1**	**21.6**	**30.9**	**29.1**	**112.9**

Sewer						
Effective planning	110.5	88.8	40.9	40.3	10.3	**290.8**
Quality treatment	5.1	13.7	10.5	9.1	11.1	**49.5**
Reliable service	32.4	28.3	19.8	22.1	21.9	**124.6**
Total	**148.0**	**130.9**	**71.3**	**71.5**	**43.3**	**464.9**

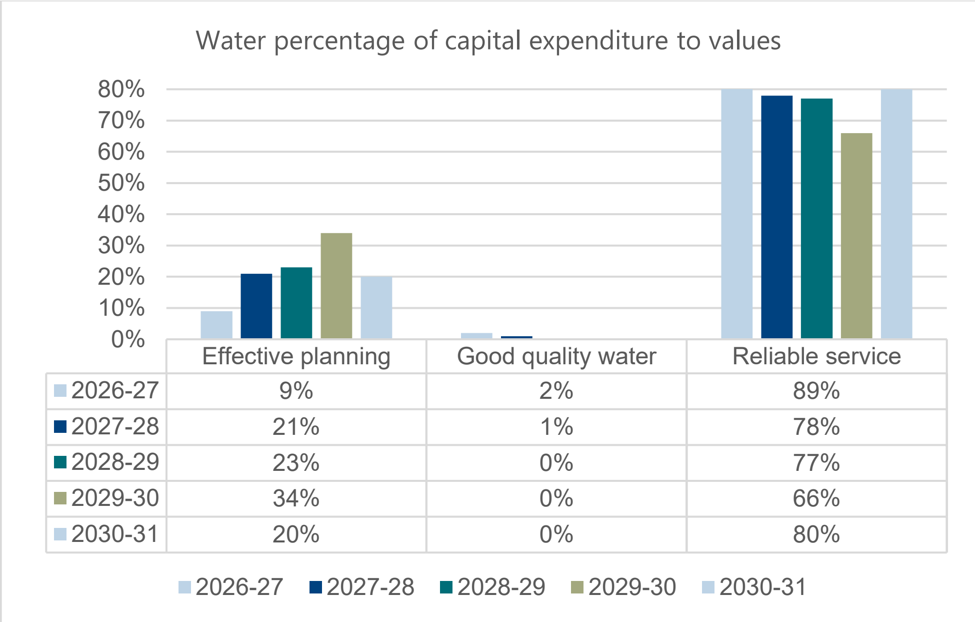


Figure 4: Proposed water percentage investment to align with community values

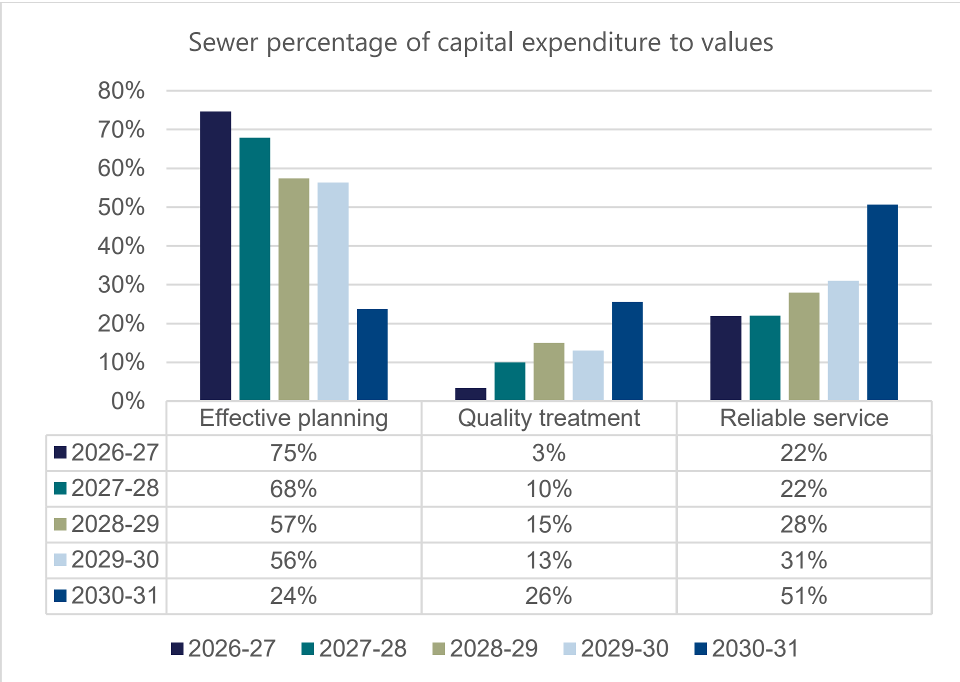


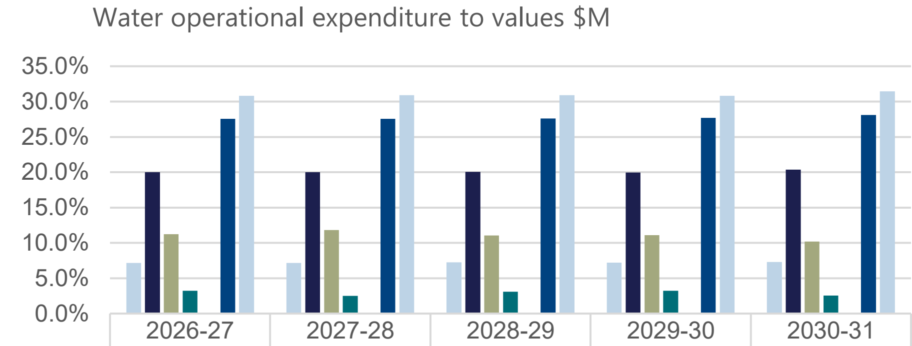
Figure 5: Proposed sewer percentage investment to align with community values

5.2 Our operational program

The operational expenditure forecast for the upcoming 2026-31 period aligns with community values, primarily focusing on improving water and sewer service reliability and quality. Most of the allocated funds are directed towards these critical areas, aiming to address community concerns and priorities, as shown in Table 5 and Table 6. Figure 6 and Figure 7 show the percentage of operational expenditure linked to our community values for water and sewer respectively.

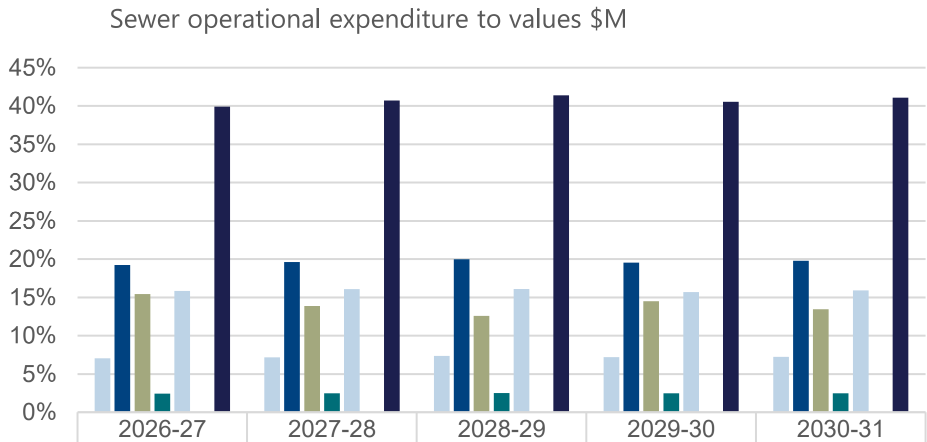
Table 5: Proposed operational expenditure linked to community values $M $2025-26

Opex $M	2026-27	2027-28	2028-29	2029-30	2030-31
Water					
Admin	4.9	4.9	5.0	5.0	4.9
Corporate	13.5	13.5	13.5	13.5	13.5
Effective planning	10.8	9.5	8.5	10.0	9.1
Environmental focus	1.7	1.7	1.7	1.7	1.7
Good quality water	11.1	11.1	10.9	10.8	10.8
Reliable service	28.2	28.2	28.2	28.2	28.2
Total Excl Trend	70.3	69.0	67.8	69.3	68.3
Trend	0.8	1.0	1.2	1.6	2.0
Total water opex	**71.1**	**70.0**	**69.1**	**70.9**	**70.3**
Sewer Opex $M	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
Sewer					
Admin	5.0	5.0	5.0	5.0	5.0
Corporate	13.9	13.9	13.9	13.9	13.9
Effective planning	7.8	8.2	7.7	7.7	7.0
Environmental focus	2.3	1.7	2.2	2.3	1.7
Quality treatment (sewer)	19.2	19.2	19.2	19.3	19.2
Reliable service	21.5	21.5	21.5	21.5	21.5
Total Excl Trend	69.7	69.6	69.5	69.8	68.3
Trend	0.6	0.7	0.9	1.2	1.4
Total sewer opex	**70.3**	**70.3**	**70.4**	**71.0**	**69.8**



	2026-27	2027-28	2028-29	2029-30	2030-31
Admin	7.2%	7.2%	7.2%	7.2%	7.3%
Corporate	20.0%	20.0%	20.0%	20.0%	20.4%
Effective planning	11.2%	11.8%	11.1%	11.1%	10.2%
Environmental focus	3.2%	2.5%	3.1%	3.2%	2.6%
Other	0.0%	0.0%	0.0%	0.0%	0.0%
Quality treatment (sewer)	27.5%	27.6%	27.6%	27.7%	28.1%
Reliable service	30.8%	30.9%	30.9%	30.8%	31.5%

Figure 6: Proposed water percentage investment to align with community values



	2026-27	2027-28	2028-29	2029-30	2030-31
Admin	7.0%	7.2%	7.4%	7.2%	7.2%
Corporate	19.2%	19.6%	20.0%	19.5%	19.8%
Effective planning	15.5%	13.9%	12.6%	14.5%	13.4%
Environmental focus	2.4%	2.5%	2.5%	2.5%	2.5%
Good quality water	15.9%	16.1%	16.1%	15.7%	15.9%
Recycled	0.1%	0.1%	0.1%	0.1%	0.1%
Reliable service	39.9%	40.7%	41.4%	40.5%	41.1%

Figure 7: Proposed sewer percentage investment to align with community values

6 Summary of anticipated service improvements and future service options

Beginning in 2023, Council initiated engagement with our community regarding:

- Their values in relation to Council's water and sewer services
- What the most important value is regarding services delivered
- Service level targets and performance
- If the community was willing to pay for improving performance and reducing performance targets.

During each engagement phase, our customer and community values were re-tested to determine if there was a shift in importance. However, the values remained consistent.

Table 6: Community values

Water	Sewer
Good quality water	Quality treatment
Reliable service	Reliable service
Affordable	Affordable
Effective planning	Effective planning
Environmental focus	Environmental focus
Transparency	Transparency

The community, guided by their values, determined that water quality was of utmost importance and expressed a need for more information regarding water quality results and compliance with Australian Drinking Water Guidelines. Additional information pertaining to the values has been addressed in the Council's Water and Sewer Quarterly Performance Report, which is available on Council’s website.

In 2024, the values were once again discussed in relation to outcomes the results are highlighted in Table 7.

Table 7: Community values linked to outcomes

Water	Outcomes	Sewer	Outcomes
Good quality water	Reduce water quality complaints	Quality treatment	Reduce odours
Reliable service	Reduce water interruptions (unplanned outages) Reduce water main breaks per 100 km	Reliable service	Reduce sewer overflows Reduce Sewer overflows reported to the regulator. Reduce sewer main breaks and chokes
Affordable	Tariffs flat and steady	Affordable	Tariffs flat and steady
Effective planning	Water security	Effective planning	Treatment to accommodate growing population
Environmental focus	Protecting our natural environment	Environmental focus	Protecting oceans and marine life Renewable power Great use of biosolids
Transparency	Education and information	Transparency	Education and information

For each measurable performance target, the feedback was slightly different between the participants in the north to those in the south.

Box 2 South group findings

All participants in the southern group unanimously agreed (100%) that the number of wastewater (sewer) overflows per 100 km of main needed to be reduced. This appears to be their top priority for future planning and maintenance, as it was the only performance target that the groups agreed should be lowered.

The groups were all satisfied (100%) with the current target of 115 for unplanned water interruptions. However, data showed the need to reduce target levels for wastewater (sewer) overflow reports and wastewater main breaks and chokes. One group did not comment on these target levels, making the data inconclusive.

Overall, most individuals agreed on continuous improvement towards meeting Key Performance Indicators (KPIs) and lowering the targets. No groups suggested a tolerance for increasing performance target levels or deviating from a trend towards the target level.

Residents have requested information and communication methods, such as annual performance reports, to ensure that educational initiatives are being delivered to community stakeholders. Participants also emphasised the need for accessible reporting methods and involving the community in forming contingency plans.

Box 3 North group findings

The importance of group participation in this activity to draw clear data insights was a key takeaway from the South Forum. Further instructions and encouragement for participation were provided for the North Forum activity, resulting in more data being collected.

The North groups clearly identified their top priorities for service levels as reducing the number of wastewater overflows and water quality complaints. All groups unanimously agreed (100%) that increased efforts were needed in these areas to lower target levels and improve service quality. Additionally, 66.67% of participants believed that the target performance levels for the number of wastewater (sewer) main breaks needed to be reduced.

The number of unplanned water interruptions divided the groups, with 66.67% of the forum stating they were satisfied with the current target levels, while 33.33% of the group called for a decrease in the target level.

Similarly, 66.67% of participants believed that current wastewater (sewer) overflow reports were satisfactory. However, one group was very vocal in suggesting that 100% of overflow incidents should be reported to the EPA and that this information should be publicly accessible. This would allow the community to have a level of autonomy and take measures to protect themselves.

In 2025, our community were further engaged regarding Future Service Options (FSO). This engagement program was designed to:

- Retest our customer values
- Be transparent with our customers about essential costs that were impacting their bill
- Give our customers choices on 'optional' investments that aligned to previously agreed improvement in our performance.

The approach to assessing FSO involved testing customer demand for each option at its estimated price (not at other hypothetical prices).

6.1 Customer values

There was agreement and support for the customer values presented from the previous engagement, participants felt that they aligned with what they considered important in relation to the delivery of water and wastewater services. There were some calls for the inclusion of 'efficiency' to be a core value. Good communication was also thought to be important, particularly in relation to outages, available customer support programs, water quality and pricing.

Customers were looking for reassurance that Council is being cost efficient and making sustainable decisions that are in the best interests of its customers and the area, both short and longer term.

6.2 Essential costs

A series of internal 'Service Options' workshops were held between Council and the appointed consultants to ascertain which options for service improvements were viable and could be presented to customers for consideration.

The options were assessed based on alignment to customer values (water quality, reliability, affordability, environmental focus, effective planning, education, and transparency) and feasibility.

The expected level of 'essential cost 'items, or non-discretionary component, was also calculated along with the average baseline bill impact.

6.3 Optional programs

As part of the survey and forum methodology the financial impact of each service option was shown on the average residential bill as shown in Figure 8.

For the survey, this cost was then scaled up or down depending on each respondent's bill size, so higher-usage customers bill impact was more, and lower-usage customers bill impact was less. For example, the water mains cleaning program cost $0.94 per annum extra for the average $1,463 annual bill, so someone with a $2,000 annual bill was assumed to pay $1.29 per annum extra.

As part of the survey, respondents were asked what their average quarterly bill was.

Most households reported quarterly water bills between $250 and $500 (annual bills between $1000 and $2000).

The total bill shown to respondents at the end of the survey when choosing their overall package of options was also based on their reported bill level. It included either a 17% or 22% ($nominal) increase (randomly assigned) to ensure respondents took account of, and to test potential impacts on choice of, the bill increase resulting from 'essential cost' items.

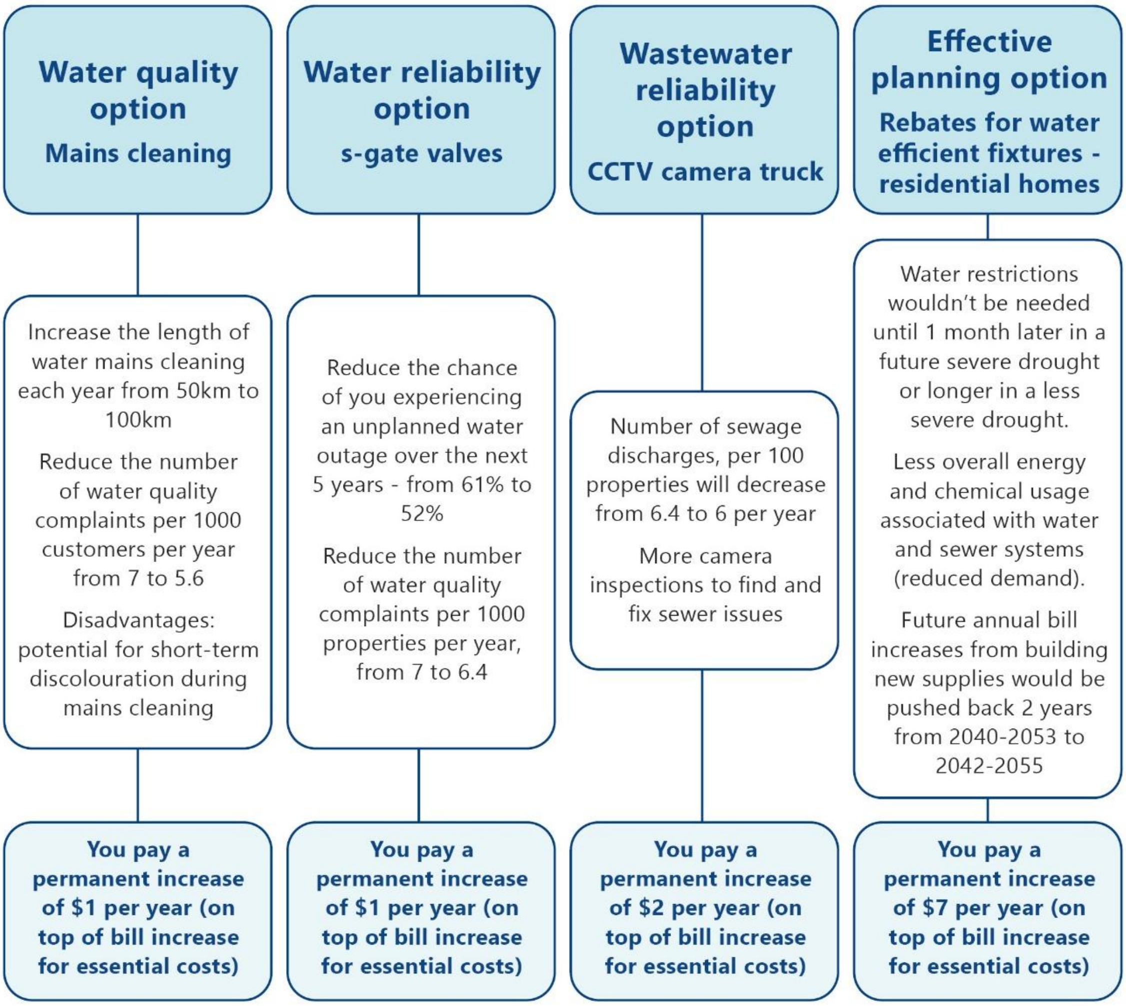


Figure 8: Survey options and bill impacts

At the forums, following the presentation on essential costs, Council presented information on the options for further investment. It was clearly stated that the increase driven by 'essential costs' may limit customers' appetite for any optional investment.

The optional programs were categorised into water quality, water reliability, wastewater reliability and effective planning. After each topic, participants were asked to discuss their views and decide individually whether they were supportive of Council proceeding with the option. It was made clear that at the end of the forum they would be able to revisit their choices, once they had seen all the options, and make their final preferences. The metrics used in the options were based on the expectation of future performance with and without the option.

6.4 Engagement results

In general, Council's customers showed little appetite to pay much more than the anticipated increase, based on essential costs, particularly for expenditure that were perceived to have insignificant beneficial impacts.

The community did show support for paying an additional $1 per year on their bill to increase the length of water mains cleaning from 50 to 100 km. In response, Council will invest money in water quality and reduce the target from 7 to 5, with a focus on improving current performance related to sewer overflows also.

There were mixed results at the forums for the S-gate valve option, however with strong support from non-residential customers, Council has decided to implement this increased expenditure.

6.4.1 Water quality option - outcome

Water quality is the most important customer value and the proactive nature of this program, to try to prevent problems in the future, was welcomed.

In total, around three quarters of participants supported this increase in water mains cleaning.

The evidence indicates that this option would have majority support and deliver a net benefit to the community. Therefore, Council has assumed support for the inclusion of the mains cleaning program in the pricing proposal.

For programs to be supported, it seemed that it either need to have a small impact on a large number of customers or a large impact on a small number of customers. Options that were perceived to have a small impact on a small number of customers were not perceived positively.

6.4.2 Water reliability option - outcome

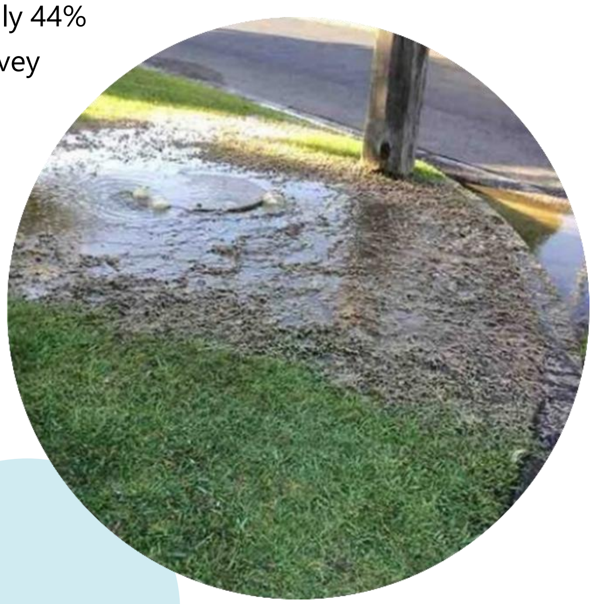
The mixed results from the forums and survey did not present a clear direction for Council for S-Gate Valves. Although the evidence from the survey is that this project is likely to deliver a net benefit to the community, the concerns expressed by the client sample and forum participants would need to be considered by Council. At the forums, participants reported that outages are not experienced by many customers now so the program to install S-Gate valves to increase water supply reliability was not supported by a majority (48% support in final preferences).

The mixed views were reflected in the survey results too. Although around two thirds of the panel sample supported the option, only half the client sample did, resulting in just over half of the pooled sample.

However, the non-residential engagement showed strong support for this option as water plays a critical role in manufacturing.

6.4.3 Wastewater reliability - outcome

There was also mixed support for the additional Closed Circuit Television (CCTV) camera truck as the impact of a change from 6.4 to 6.0 sewage discharges per 1,000 properties seemed small to forum participants. There were also concerns that new technology may supersede the need for the truck. Final preferences showed only 44% support for this program at the forums, just over half from survey panel respondents and just under half from survey client respondents.



The mixed results do not provide clear evidence of endorsement by the community for an additional CCTV camera truck.

6.4.4 Effective planning option - outcome

There was very little support for the rebate program. Most participants at the forums were against this option, largely due to lack of clarity, perceived unfairness, and limited personal relevance.

Rebates were considered to benefit the wealthier customers – those who were going to buy a new appliance anyway. During final preferences a total of 91% of forum participants were unsupportive of the option. A similar picture emerged in the survey, albeit less extreme with 62% of the pooled responses being unsupportive.

Overall, the evidence suggests this project would not have majority support and would not deliver a net benefit to the community (average willingness to pay is below cost).

7 Self-assessment against IPART's 12 principles

Council's self-assessment of its pricing proposal references IPART's Grading Rubric to provide evidence that demonstrates Council has met the expectations of each of the 12 principles and has achieved a Standard ranking (overall).

IPART will assess each of the principles and evaluate the proposal based on the information and evidence provided. Table 8 provides evidence of how Council has met the expectations of each principle. In addition, Council has demonstrated that its focus principles of Robust Costs and Customer Centricity are the most important priorities for its customers and community and provided evidence of works in those areas that support our self-assed grade.

Table 8: Self-assessment against IPART Grading Rubric

	Principle 1 Customer centricity (focus principle)
Guiding question	*How well have you integrated customers' needs and preferences into the planning and delivery of services, over the near and long term?*
Self-assessment grade: **Standard**	Since 2023, Council's Water and Sewer Directorate has facilitated several engagement activities to ensure that engagement is inclusive, accessible, and meaningful. Council have introduced Customer Liaison Officers (CLOs) in March 2023 to improve communication and trust with our customers during infrastructure works, emergencies, and environmental events. CLOs have engaged over 17,200 customers, conducted 822 doorknocks, supported 164 site visits, and attended 31 community meetings. This proactive approach has increased customer satisfaction (from 68% to 83%) and Net Promoter Scores (from 18 to 45), setting a new standard for community engagement in local government. The Flow Forward education program was introduced in 2024 to help schools reduce water use through engaging student activities, practical audits, and Water Savings Action Plans. Students learn where water comes from and how to save it, while teachers receive professional support to integrate lessons into the curriculum. The program fosters long-term habits, helping schools cut waste, fix leaks, and lower water costs.

	Additionally, Council introduced a People's Panel specific to water and sewer services, where information is shared with this representative group of community members, and they provide their feedback on services. Council also engaged with this group to understand how our broader community/customers wants to engage with us. Council has developed a Community Engagement and Education Approach that aligns to the customer centricity principle by providing clarity on: • Timeframes • Stakeholders • Targeted and diverse community groups • Establishing a community reference group – the Water and Sewer People's Panel • Provide a feedback loop, how our community/customers engage Council (Water) • Including key topics for discussion • Appropriate engagement approach *Customers influence business outcomes* Engagement outcomes have clear influence on our business, as we seek to understand what our community values in relation to services. Council is linking the customer and community values to outcomes to proposed operational and capital expenditure for the delivery of services which are identified at a projects initiation and monitored at the conclusion of the project to ensure customer outcomes are evidenced through benefit realisation. *Processes support customer centricity* CLOs have developed processes to provide targeted assistance to customers affected by infrastructure failures or large capital works projects. Council have implemented a new concessions and rebate policy (on exhibition) to create a single streamlined approach for providing financial assistance to customers experiencing hardship related to home dialysis, concealed leaks, or sewer connection costs.

Develop customer engagement strategy	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
The business has a published customer engagement strategy which: • 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. • Considers the level of influence customers have in how services are delivered. • Identifies the role of customer engagement in understanding customer preferences	Council has a Community Engagement and Education Approach with our guiding principles linked to five pillars. Underpinning these were: • **Understanding our community values** – this was achieved by extensive community engagement which included deliberative forums, surveys, and community 'pop ups', where feedback was incorporated feedback into our Customer Charter, Complaints Management Framework and future expenditure profiles that links to the values and outcomes. • **Decision making** - ensuring the final outcomes related to both price models and service performance are equitable and reflect the level of service our customers expect from their water and sewer services. It also included forums that asked what our customers were willing to pay for improve services and billing structure preference between fixed and usage charges. • **Empowering through education** - In previous engagement programs the community expressed a preference for education being important for effective community engagement and decision-making. Our Love Water and Flow Forward campaign continues to help educate our community with the support of ongoing educational messaging delivered through our various communication channels. • **Respecting your voice** - We respect the important role community engagement plays in helping Council reach the best possible outcomes. Council is committed to delivering quality consultation to ensure all views and experiences are heard and taken into consideration before making important decisions that affect water and sewer services. • **Having a say with investment decisions** - Between 23 November and 14 February 2024 Council sought community feedback from residents and businesses in two phases on the small urban and rural communities across the Central Coast that do not have access to water and/or sewer services. The surveys built upon earlier engagement with the community and will inform development of Council's Water and Sewer Masterplan to deliver services for our customers into the future. The feedback helped Council inform its planning and to determine how best to manage un-serviced properties.

The strategy should be well structured and easy for customers to follow, and articulate clear roles and responsibilities of customers, regulators(s) and business.	The Water and Sewer Community Engagement and Education Approach is easy to read, uses everyday language and clearly identifies how Council will engage, communicate, educate, and build trust with our customers and community. The Approach aligns with the International Association of Public Participation (IAP2) and links to Council's Customer Charter where roles and responsibilities are articulated, as well as our Complaints Management Framework. *https://cdn.centralcoast.nsw.gov.au/sites/default/files/2023-09/central_coast_council_water_and_sewer_customer_charter_final_online.pdf* *https://cdn.centralcoast.nsw.gov.au/sites/default/files/2023-09/central_coast_council_water_and_sewer_complaint_mgt_framework_final_online.pdf* Council in March 2025 adopted Central Coast Council's Community Engagement Strategy. The strategy provides the overarching framework and approach, that is used by all directorates within Council. The Water and Sewer Engagement and Education Approach is supplementary to this document. *https://www.centralcoast.nsw.gov.au/community-engagement-strategy*

Customers influence business outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Customer insights and engagement influences customer outcomes, inform business decisions and short, medium, and long-term plans	The engagement with our customers and community has influenced future investment decisions in our business. This is evidenced through: • Future Service Options engagement program where our community was asked to discuss investments to improve services. This included discussion on a rebate program to promote water conservation which is linked to the Central Coast Council Water Security Plan. • Taking feedback from our community regarding increasing operational expenditure to improve performance for water quality. • Linking community values to operational and capital expenditure forecasts, where project initiators are required to demonstrate linkages between expenditure benefits to customer outcomes. • Un-serviced properties (linked to Masterplan)- between November 23 and February 14, 2024, Council sought community feedback from residents and businesses in two phases on the small urban and rural communities across the Central Coast that do not have access to water and/or sewer services. These properties are known as unserviced properties. An unserviced property is one that is not connected to the Council's water and/or sewer network. • Using community feedback for the Central Coast Council Water Security Plan (August 2021) to guide future investment options.

Processes support customer centricity	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Systems in place to respond to ongoing customer feedback.	Council has a complaints and feedback management policy. This applies to all directorates within Council. The key objective of this policy is to: • Increase customer satisfaction, strengthen customer input. • Ensure that complaints and feedback received are managed in a timely and equitable manner and guide a standard for behaviour. *https://www.centralcoast.nsw.gov.au/council/forms-and-publications/policy/complaints-and-feedback-management-policy* In addition, Water and Sewer use two-way engagement through: • Our front-line staff when attending to incidents in the field. • via our Water Operations Centre (24 hours a day, seven days a week) • through Council's Customer Contact Centre • via Councillor channels • raising customer requests via our website • planned outage notifications to impacted customers • Customer Liaison Officers for individual customer engagement • representation by the People's Panel • closing the loop on engagement activities through Your Voice Our Coast engagement platform. The Water and Sewer Customer Charter specifically defines: • our standard of service • expectations as a customer • how customers can help us to help you • mutual rights and obligations • Links to the Complaints Management Framework.

	The Complaints Management Framework covers: • Council's commitment to customer complaints • how we handle complaints • Council's escalation and response process. *https://www.yourvoiceourcoast.com/water-and-sewer-customer-charter-and-complaints-management-framework*
Consumer facing businesses propose assistance programs for customers experiencing vulnerability (e.g. Hardship programs, payment plans, access to concessions or other).	Council recognises cases of genuine financial hardship requiring respect and compassion in challenging circumstances. Council has the option to make a formal agreement with eligible ratepayers for alternative payment plans for their rates and charges. In addition, Council provides the following assistance programs. • Assistance by Periodical Payment Arrangements • Assistance by Writing off Accrued Interest and Costs • Hardship assistance • Home dialysis concessions • Sewerage Connection Financial Assistance • Concealed leak financial assistance • Pensioner rebates (as part of the LGA) • Draft water and Sewer Concessions rebate Policy (on exhibition). *https://www.yourvoiceourcoast.com/water-and-sewer-concessions-and-rebate-policy* *https://cdn.centralcoast.nsw.gov.au/sites/default/files/2024-03/hardship_and_debt_recovery_policy.pdf*

Principle 2 Customer engagement	
Guiding question	***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?***
Self-assessment grade: **Standard**	Council's Water and Sewer have made significant progress in engaging with customers to understand what matters most to them. Engagement efforts have been designed around adding value for customers by focusing on relevant issues, selecting appropriate engagement methods to suit our diverse community, and ensuring meaningful two-way communication that is genuine. Customers have been invited to participate in engagement activities that allow them to contribute to decisions that affect their service, from pricing and bill structure and infrastructure planning to service levels and performance reporting. To ensure relevance, Council's engagement activities have focused on our customers' identified values such as water quality, affordability, service reliability, and environmental focus. Council used a range of methods to make it easier for residents to participate, including online surveys, pop-up stalls, face-to-face deliberative forums, and targeted outreach to under-represented groups. Importantly, engagement has not been a one-off exercise but a continuous, iterative process that will foster trust with our community and informs both short and long-term planning. Our engagement framework follows along the sentiment of the IPART 3C framework: **Engage on what matters to customers** Topics for engagement have been, and will continue to be, tested as part of our 'business as usual' practices. **Choose appropriate engagement methods** Council uses innovate ways to ensure our engagement in inclusive and accessible for all our customers and community members. **Engage effectively** Referring to Council's Community Engagement and Education Approach, which emphasises diversity and inclusiveness. Council will seek feedback from our customers on the effectiveness of our ongoing engagement.

Engage on what matters to customers	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Select issues for engagement that matter to customers.	Council has adopted a customer-centric approach to engagement by actively identifying and prioritising the topics that customers care most about. These include core service areas like good water quality, treatment of sewage, reliability of services, water supply for our growing region, sewer overflow risks, and fair pricing. This has been informed by multiple sources: • direct feedback from previous engagement • Customer experience (CX) complaint data • staff insights. To avoid tokenistic engagement, Council has worked hard to understand our customer values. For example, instead of asking only about willingness to pay for improved services, our engagement explored deeper concerns like bill fairness, environmental protection, and support for vulnerable households. Engagement efforts have aligned with key planning processes such as our Masterplans and the IPART price submission process, ensuring that customer input has a genuine influence on our decisions. The engagement for the current pricing proposal included focus areas such as: • Identify and understand what our community values in relation to water and sewer services • Affordability and bill structure • Determine the cost of delivering water and sewer services • Gather community feedback in relation to Council's commitment to a Customer Charter and Complaints Management framework • Develop a set of performance metrics that customers would like to know about, including the desired method and frequency of reporting • Determine preferred price structures • Access to relevant information regarding performance. Masterplan engagement: • Identify levels of service and customers long term expectations

	• Determine the values related to treatment/network planning and assess whether they align with the values for water resource planning. • Identify the issues and priorities that the community wants considered in long term planning. • Test willingness to subsidise un-serviced properties to be connected to the existing network.
Choose appropriate engagement methods	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• 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. • Opportunities for 2-way communication with customers exist. • Scope of engagement proportional to the level of expenditure and the impact of the project.	The Water and Sewer Directorate is a part of Council; therefore, Council's Customer Service team are often the first point of contact with our customers. In addition, water and sewer staff employ a mix of traditional and contemporary engagement methods to reach a broad audience. These include: • **Broad communications**: Community newsletters in print and digital formats, social platforms, radio, signage, and letter drops. • **Deliberative forums**: Discussions on the Water Security plan and improving water and sewer services. • **Events**: Participation in Council-run community events that allow for direct engagement, feedback, and interaction with the community. • **Love Water campaign**: A communication and education campaign highlighting the value of water. This campaign uses digital, radio, print, social media, and events to create awareness and promote behaviour change in the community, specifically regarding the sewerage system. • **Dedicated engagement platform**: Your Voice, Our Coast serves as an online hub where the community can provide input and feedback on projects and initiatives that impact the region's future. • **Project-based communication**: Engaging with the community through face-to-face discussions, online interactions, and broad communications to guide operations, services, and project delivery. • **Schools Education program**: Offered through the Love Water campaign, this program provides tailored educational programs for early childhood, primary, and high schools. It includes school water audits, site tours, and experiences for students. The program, including the "Little Drops" early childhood education component, uses interactive songs, storybooks, and games to teach children

	about the importance of water conservation and proper sewer usage, fostering lifelong water-saving habits in an educational and entertaining way. *https://lovewater.centralcoast.nsw.gov.au/education/learn/early-childhood* *https://lovewater.centralcoast.nsw.gov.au/council/school-education* *https://www.centralcoast.nsw.gov.au/council/media-release/central-coast-council-launches-dunny-dos-and-dunny-donts-education-campaign* • **Social media platforms** include Facebook, Instagram, Twitter, LinkedIn, and YouTube. • **Stakeholder forums consist of public forums at council meetings**, agencies, key stakeholders, water utilities, and the top 100 users for our non-residential customers. • **Surveys** encompass qualitative and quantitative surveys, project-based surveys, customer experience surveys, Your Voice surveys, and social media polls. • **People's Panel**: To enhance community engagement and ensure informed public input into key decision-making processes, Council Water and Sewer introduced the People's Panel in late 2024. This representative group was independently recruited to reflect the diversity of the Central Coast community and was established to contribute to initiatives such as the upcoming water pricing proposal. • **Capital work program map:** Highlights key capital works projects. *https://www.centralcoast.nsw.gov.au/about-council/capital-works-program* Leading up to 2025 Council engaged our community on the following issues: **Water Security Plan (2021)** • 3 live videos with 116 participants • 30 in-depth phone interviews • 308 online surveys • 127 advertisements across two radio stations

	How our community connected with us: • 2,238 visits to Your Voice Our Coast • 11,000 stakeholders updated through e-news • 7,500 social media users reached • 269k people were reached with 339 clicks through to the project page • 442 downloads of The Water Supply and Demand factsheet • 230 views of the educational video on water supply and demand options **Improving your water and sewer services (2023)** • Four face-to-face deliberative forums • 23 in-depth phone interviews with hard-to-reach customers • 1232 online survey completions ▪ 18,000 emails *How our community connected with us:* • 3,378 visits to Your Voice Our Coast website • 94,000 stakeholders kept up to date with project updates • 3,286 social media impressions • 18 customer service requests lodged for further information. **Customer values, engagement, and bill phasing (2024)** • 100 completed telephone surveys • 146 survey responses • 43 responses to the "ideas" wall related to values. • 2,284 community members reached and 324 engaged. **Future Service Options (2025)** • Stakeholder group and People's Panel engagement co-design workshop • Deliberative forums • Pop-up kiosks • Online survey • Non-residential customer workshops co-hosted with Business NSW

	How our community connected with us: • 56 document downloads from YVOC site • 603 1st time visitors to the YVOC site (889 visits in total) during this campaign • 994 Future Service options campaign page views • Social media reach achieved 92,756 (online survey) and 38,006 (pop up events) • Five participants from consumer and advocacy organisations and eight members of People's Panel attended co-design workshop • 85 people attended the face-to-face deliberative forums. • 1,133 responses from Your Voice Our Coast online survey • 400 responses from Panel sample survey. • 16 representatives attended business workshop.
Engage effectively	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Unbiased, clear explanation of context and objectives. • Participants are informed of the impact of their feedback. • Engagement is easy to understand, and customers' understanding is tested and where relevant, technical literacy/capacity is supported for effective engagement. • Culturally and linguistically diverse groups are supported in their engagement. • Information is accurate, objective, tells the whole story and is correctly targeted to its audience.	From the engagement activities in 2023, 2024, and 2025, both context and explanation were provided with all our engagement activities. This included education of key expenditure principles to Council's "People's Panel." Following the Deliberative Forums, participants were asked to complete an end of session evaluation of the meeting. Most participants agreed that they were able to provide their views and contribute during the session, they enjoyed taking part and that such events were a good way of consulting the public about issues. They also agreed that the sessions were well organised and structured. **Engagement Phases** ***Central Coast Water Security Plan April 2021*** A representative sample of the Central Coast community was taken on a journey to learn about their water values and educate them on the different water supply and demand options being considered. Five portfolios – or groups of options – were presented to the community with the objective to learn what a representative sample of the Coast community's preferences were

• Clear explanations of investment options, service levels, and uncertainties.	***Phase 1 - March 2023*** The objectives for the engagement for the Water and Sewer were to: • Identify levels of service and customers' expectations (long term) • Identify the values related to treatment/network planning and ascertain whether they are the same values as for water resource planning. • Identify the issues and priorities that the community wanted considered as part of the long-term planning. • Test willingness to subsidise un-serviced properties to be connected to the existing network. Engagement activities: • Two face-to-face community forums with residents and small to medium businesses – one in Wyong and one in Gosford. • Six in-depth interviews with Aboriginal and Torres Strait Islander customers (ATSI). • Six in-depth interviews with culturally and linguistically diverse customers who speak a language other than English at home (CALD). • Five in-depth interviews with large customers. • A total of 107 individual customers took part in this Phase 1 engagement for Woolcott (residential and business customers). ***Phase 2 – June 2023*** The engagement program consists of three phases that ran from January to July 2023. The engagement components conducted between March and June 2023 were as follows: • Two face-to-face community forums with residents and small to medium businesses – one in Gosford and one in Wyong. • One group with young people aged 16-18 years old (six participants). • Six in-depth interviews with Aboriginal and Torres Strait Islander customers (ATSI). • Six in-depth interviews with culturally and linguistically diverse customers who speak a language other than English at home (CALD). • Five in-depth interviews with large customers.

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Two ‘deep dive’ groups on the Customer Charter with 16 residential and business customers from the forums.
92 individual customers took part in the Phase 2 engagement across all components (residential and business customers).
The group and in-depth interviews for Phase 1 and 2 were conducted online using Zoom.
Engagement activities included targeted telephone surveys, online surveys, face-to-face meetings with two groups from our top 100 water consumers, 20 hours of engagement across four sessions at both Wyong and Gosford, and pop-up sessions.

Phase 3 - July 2024
The engagement program was designed to be true to IPART’s 3Cs model and achieve the following objectives for Council:

Understanding who the community is.
Understand what matters to the customers.
Understand community values and desired outcomes.
Create investment strategies to achieve these outcomes.
Identify customer insights and link these to service improvements.

High-level objectives of the engagement program were to:

Develop relationships with customers and community through face-to-face engagement, co-design, and overall community presence.
Educate customers and the community on water and sewer-related services and assets.
Gather community input to help understand and prioritize customer values and desired outcomes.
Identify community engagement and communication preferences.
Gather feedback to help form and support the 2026 – 2031 pricing submission to IPART.
Assist in establishing a database of customers and community members interested in participating in future engagement opportunities.
Build trust through transparent communication and quality authentic consultation. Further, the engagement program also sought to gather feedback on the following topics:

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	• Retesting and prioritizing of the values and outcomes. • Levels of service and customer expectations. • Issues experienced by customers and the wider community. • Communication preferences. The program engagement activities included: • Computer-aided telephone interviews. • Deliberative forums. • Staff workshop – delivered by University of Sydney academics to focus on co-design AI and engagement design for "pop-up". • Online survey. • Online ideas wall. • NAIDOC week community day. • Workshops. • Business engagement. After the 2024 community engagement, Council made available the results of the engagement at the link below: *https://www.centralcoast.nsw.gov.au/council/media-release/community-sets-priorities-their-future-water-and-sewer-services* ***Phase 4 - February 2025*** The objectives of the engagement were to. • Build trust – involve customers in the process of balancing their preferences with affordability. • Education customers on expenditure drivers – Inform customers of forecast expenditure that is non-discretionary which may impact their willingness to pay for discretionary service improvements and projects. • Determine customer preferences – Inform measure customer support for different service level improvement options.

	• Guide decision making – Provide actionable insights into affordability with customer preferences and long-term sustainability. The extensive engagement program consisted of: • Internal service workshops • People's Panel workshop to co-design content for the Deliberative Forums • Stakeholder Group workshop to co-design content for the Deliberative Forums • Deliberative Forums held in Gosford and Wyong – these consisted of a mix of information provision, table discussion, identifying preferences for service options and general feedbacks. Participant selection was undertaken by an external consultant and aimed to ensure a mix of demographics in terms of gender, age, ethnicity, business ownership, income, and vulnerability. • Community pop-up stalls • Online panel survey – this covered information about expected bill increases and optional initiatives • Open community survey on YVOC engagement platform • Follow up Stakeholder workshop • High volume non-residential customers workshop co-hosted with Business NSW.

<table>
<tr><th colspan="2">Principle 3 Customer outcomes</th></tr>
<tr><td>Guiding question</td><td>How well does your pricing proposal link customer preferences to proposed outcomes, service levels and projects?</td></tr>
<tr><td>Self-assessment grade:

Standard</td><td>Customers drive outcomes that are linked to expenditure in both short- and long-term investment plans.
Expenditure is directly related to outcomes, as identified in this technical paper outlining expenditure profiles linked to values.
Performance measures are in place to support these outcomes, with performance targets reflecting community opinion. This highlights the importance of meeting targets and engaging in benchmarking activities. Willingness to pay scenarios demonstrate how increased expenditure can lead to better performance.
Accountability for customer outcomes is emphasised, with a focus on updating the community on performance metrics that matter most to them.
Information is readily accessible and easy to find.</td></tr>
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<tr><th colspan="2">Customers drive outcomes</th></tr>
<tr><th>Expectations under IPART's framework</th><th>Council's evidence to support self-assessment grade</th></tr>
<tr><td>Propose outcomes, based on customer engagement, that capture what customers want you to deliver.
Link proposed expenditure to these outcomes</td><td>The engagement program over the last three years has focused on the following:

Identifying what the community values in relation to water and sewer services and what the community wants Council to prioritise:
Good quality water
Reliable services
Affordability
Effective planning
Environmental planning
Transparency.
Council have established renewed performance targets that have been informed by our customer engagement programs.</td></tr>
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	Managing response times effectively, linking to the Water and Sewer Customer Charter and will engage early in 2026 to achieve better clarity on response times for reactive works. Council has engaged with the community on the Masterplan- especially focusing on unserviced properties. Customer insights helped to inform the implementation of the Central Coast Water Security Plan - making investment decisions to secure water and sewer services for the future. Feedback from our community has been incorporated into our expenditure forecast for the 2026-2031 pricing period. Council's *Accountability Strategy* will ensure that delivery on our commitments will be available to our community, so that they can track our performance in these priority areas.
Performance measures support outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**

• Propose performance measures for each outcome.
• Propose performance targets for each measure, referencing IPART's principles, with:
    ○ Internally consistent short-medium- and long-term targets
    ○ Targets justified based on past performance and other suitable industry benchmarks.
    ○ (Targets that, at a minimum, meet customer (*protection operating licence – not applicable as Council does not have an operating licence*) standards and other regulatory requirements.
	Service levels will gauge the effectiveness of Council's investments and be included in Council's Accountability Strategy.
	
	The performance measures that will monitor Council's effectiveness will focus on:
	Reliable service - Average duration of unplanned outages - no target set by community agreed performance needed to improve. Average duration since July 2024 is 2.9 hours.
	Reliable service - Number of unplanned outages per 1,000 properties participants satisfied with existing target of 115.
	Reliable service - Number of water main breaks and bursts per 100 km main - no target set by community agreed performance needed to improve. Target to remain at 14
	Reliable service - Number of sewer main breaks and chokes per 100 km main - no target set by community agreed performance needed to improve. Target to remain at 30
	Water quality -Number of water quality complaints - no target set but community agreed performance needed to improve. Council is proposing a new target of 5 that reflects the outcomes of the Future Service Options forums.
	Education and Transparency – Continue to deliver education activities linked to service levels particularly sewer overflows. The existing program has successfully reduced the number of foreign objects in the network that cause sewage overflows. Council will continue to deliver information to the community regarding performance and delivery.

	Environment - Continue to deliver against all environmental regulations.
Accountability for customer outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Clear mechanisms ensure the business is accountable for delivering outcomes.	Council currently provides the community with a Quarterly Performance Report, Annual Performance Report, bi-annual Delivery Plan and has developed an Accountability Strategy that provides guidance on how we will achieve improved accountability to our customers and community. Enhancement of our current reporting systems reporting internally will play a crucial role in Council's transformation towards greater accountability. The objective is to enable enhanced customer experiences through tools such as mobile apps, self-service portals, and interactive service tracking systems. Creating appropriate customer feedback loops through regular surveys and our People's Panel as well as better digital engagement platforms. The focus is building robust systems for data collection, analysis, and reporting. It involves identifying key performance indicators (KPIs) that align with IPART 3Cs model and customer and community outcomes. This renewed accountability mechanism will improve transparency by proactively sharing accurate and relevant information. It will include. • outputs related to sustainability and environment. • customer satisfaction metrics, • expenditure linked to outcomes, • Efficiencies achieved. Council will continue to seek feedback from our customers around their satisfaction levels on how we demonstrate our accountability and will adapt our reporting mechanisms accordingly. https://www.centralcoast.nsw.gov.au/residents/water-and-sewer/about-water-and-sewer-services/water-and-sewer-performance-reports-and-delivery-plan.

Principle 4 Community	
Guiding question	*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 into the future?*

Self-assessment grade: **Standard**	Council's Water and Sewer has actively engaged with its community and customers to better understand their needs and make it easier for them to interact with Council. This includes making decisions that truly reflect our community's needs, including open, genuine, and ongoing dialogue between Council and our residents and ratepayers. At the Ordinary Council Meeting on 25 March 2025, Council officially adopted the Community Engagement Strategy, marking a significant step toward strengthening communication between Council and our community. In compiling the document Council engaged: • Central Coast residents and ratepayers • Aboriginal and Torres Strait islander communities and individuals • People with a disability • Culturally linguistically divers communities • Local business communities • Community groups and organisations • Advisory committees • Government agencies

Identify community outcomes

Expectations under IPART's framework	Council's evidence to support self-assessment grade
• Engage with, and consider the broader community, including Aboriginal and Torres Strait Islander peoples, to identify community outcomes. • Assess the benefits and costs to the customer of delivering on broader community values, as they relate to the provision of regulated services.	In addition to Council's engagement, the water and sewer Directorate has had several rounds of engagement with our community since 2020. The focus for the engagement was broad and covered most demographics in our community. It included: ***Central Coast Council Water Security Plan - December 2020 – April 2021*** This involved taking a representative group of the Central Coast community on a journey to learn about their water values and education on water supply and demand options. In total the engagement had 2,238 website visits, 11,000 stakeholders kept up to date through e-news 308 surveys completed, 127 radio adds, 116 people participated in video forums and 230 views of water supply demand options., The engagement included three rounds of consultation:

• Consider costs/benefits and bill impacts before proposing expenditures.	• That included the following broader community groups – Online forums total 61 participants comprising 12 financially vulnerable residents, nine small – medium business owners and 40 residents 51% male and 49% female, 52 over 50 years and 48 under 50. 10% of participants were culturally and linguistically diverse (CALD) and 2 were Aboriginal and Torres Straight Islanders (ATSI). Income varied between \$41,600 < >\$156,000. Most participants were owner occupied with a smaller representative group renting property. ***Improving Water and Sewer Services phase 1 & 2 March – June 2023*** The engagement involved engaging a representative group to identify and understand community values, gauge community feedback in relation to Council's (water and sewer) Customer Charter, develop a set of performance metrics that customers/community would like to know about with desired frequency and frequency of reporting. Identify levels of service and expectations in the long term, identify values related to treatment/network planning. Also included were issued related to the Masterplan specifically for un-serviced properties. The engagement was done over three months and included: • Phase 1 – Two face to face forums with residents and small to medium businesses – one in Gosford and one in Wyong. Six in-depth interviews and culturally and linguistically diverse customers who speak another language at home (CALD). Five in depth interviews with large customers and one youth group 16–18-year-olds. • Phase 2 – Two face to face forum with residents and small to medium businesses – one in Gosford and one in Wyong. One youth group with 16-18 years olds (six participants),six in depth interviews with culturally and linguistically diverse customers who speak a language other than English at home (CALD), five in depth interviews with large customers, two deep dive groups on the Customer Charter with 16 residential and business customers. ***Water and Sewer: Un-serviced properties November 2023 to February 2024*** Between 23 November and 14 February 2024 Central Coast Council Water and Sewer sought community feedback from residents and businesses in two phases on the small urban and rural communities across

	the Central Coast that do not have access to water and/or sewer services. These properties are known as 'un-serviced properties'. An un-serviced property is one that is not connected to the Council's water and/or sewer network. There were two phases: • Phase 1 was conducted by Woolcott Research who surveyed 500 residents and small businesses who are connected to Council's water and/or sewer services. • Phase 2 was a Targeted Survey amongst 1352 people who occupy, own, or operate a business from an 'un-serviced' property' on the Central Coast. • Phase 3 Data from surveys used to inform development of Water and Sewer Masterplan – to be published 2025/26 ***Water and sewer services 2024 June – July 2024*** The purpose of this engagement program was to seek community feedback in line with IPART's 3s framework emphasising a customer centric cost-effective and credible approach. The outcomes of the engagement were to ensure that the community plays a key role in formulating the 2026-31 IPART pricing submission. The engagement included computer aided telephone interviews, deliberative forums, online survey, online ideas wall, pop-up engagement, commuter pop-ups, NAIDOC week, workshops, and business engagement. The engagement included: • A representation of community from both North and South of the Local Government Area with age groups and gender evenly mixed. 52 participants lived in a house, six in shared residences and remainder where people who rent. 31 participants spoke another language at home, 10 people had a disability. The mix of the community was mixed of couples with and without children , including single member households, single parents, five people identified as ATSI. ***Water and Sewer Future Service Options – May 2025*** The objectives of this engagement were to build community trust, educate the community/customers on expenditure drivers, determine customer preferences and guide decision making. It included gaining

feedback form the community in relation to customer priorities, ensure understanding of bill impacts for essential costs to inform customers for preference with optional items. It also helped identify customer preferences for optional on water quality, reliability, and effective planning options. The Two community forums took place.

The engagement included:

- 14% represented by 18-34 years
- 31% represented by 35-49 years
- 38% represented by 50-69 years
- 15% represented by 70+
- 48% male
- 51% female
- 8% CALD.

Income was evenly spread across the members with on average on between $78,000 to $156,000 and above. Nine people were on <$41,600 p.a.

70+	15%
Male	48%
Female	51%
CALD	8%
First nations	4%
Disability	5%
Financial hardship	21%
Business owner	21%

The Council also engaged with our community regarding preference for pricing and how they should be implemented. The majority requested that the tariffs be a step and remain flat (other than CPI) to provide bill certainty. Additionally, the tariffs should allow for more control over bills by including a higher water usage charge.

	https://cdn.centralcoast.nsw.gov.au/sites/default/files/2023-12/Central-Coast-Water-Security-Plan_June-2023.pdf
Community outcome performance measures	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Community outcomes have targets that are measurable, have intermediate steps and milestones built in (as needed)	Refer Principle 3 'Performance measures support customer outcomes'
Accountability for community outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Clear mechanisms ensure the business is accountable for delivering community outcomes	Refer Principle 3 'Accountability for customer outcomes'

Principle 5 Environment	
Guiding question	***Have you identified and met broader environmental objectives, while ensuring services are cost reflective and affordable today and into the future?***
Self-assessment grade: **Standard**	Our submission ensures that activities are completed in a timely manner to address our environmental obligations. The strategies Council will be implementing over the next five years will ensure that we are in an advantageous position to future-proof the Central Coast and provide services sustainably, with a focus on climate change and asset resilience. Council is currently undertaking studies and strategies to address climate change, biodiversity, environmental aspects and impacts, risk management framework, emissions, asset resilience, and assurance for compliance with all environmental obligations. The community values from the engagement are highlighted below: • Protecting the oceans and marine life. • Using renewable power for treatment plants. • Greater use of biosolids [5]. • Protecting the natural environment. • Adherence to all regulatory obligations. • Climate change. • Greenhouse gas emissions.

[5] Council currently reuses all of our biosolids

Identify environmental outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Meet all regulatory requirements, including environmental requirements, at an efficient cost. • Follow government direction and regulatory obligations. • Set environmental outcomes that relate to the provision of regulated services, consistent with customer preferences, community views and waterway quality guidelines. • Consider long-term environmental costs/benefits and bill impacts before proposing expenditures. • Propose cost-efficient expenditure to manage and adapt to the impacts of climate change.	Council's current environmental regulatory requirements that are non-negotiable are: • Australian Drinking Water Guidelines (ADWG) – meeting guidelines – Health • NSW Environment Protection Authority (EPA) – Licences Environment Protection Licences (load and volume) quality at each outfall related to the Sewage Treatment Plants (STP). • Annual returns (EPA non-compliances) of identified failures. • EPA - Pollution Reduction Programs (PRPs) and Pollution Reduction Studies (PRSs). • Environmental Management System (EMS) – Compliance with ISO (International Standards) 14001, a Council framework for management of environment responsibilities. • Dam Safety – Dam safety regulations is the responsibility of Council for declared dams under the *Dams Safety Act 2015* to manage safety risks and ensure compliance with safety standards. • National resources Access regulator (NRAR) - independent water regulator which oversees enforcement of water management laws in NSW. • The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) – Regulatory and assurance framework, along with other local water utility regulators, oversees and supports local water utilities in their delivery of water supply and sewer services. These regulations define the strategies and activities that Council will undertake over the next five years. These include: • Emission Reduction Strategies. • Corrosion and Septicity Strategy with a view to reduce unpleasant odours and corrosion. • Asset Resilience Strategy to ensure asset infrastructure can withstand impacts of climate change and other natural events. • Benthic study to assess the ocean condition at Council's three (3) ocean outfalls. • The Biosolids Strategy which reviews better use of biosolids for energy generation. • Polyfluoroalkyl substances (PFAS) testing of both water and biosolids. • Climate Change Action Plan (CCAP) actions to address impacts of climate change and greenhouse gas emissions.

	Water and Sewer has significant regulatory reporting requirements to ensure compliance with the regulatory obligations. This includes reporting to both state and federal government agencies which promotes compliance. The existing compliance reporting includes: • Best practice – Triple bottom line. – providing information related to the economic, social and environmental sustainability. • Environment protection Licence returns (EPA) – reporting on performance related to both load and concentration. In addition, any environmental breaches. • Pollution incident reporting - DPIE • National Urban Water Utility Performance Framework (Water resources, Assets, Customers, Environment, Pricing, Finance, Public Health - Department of Planning, Industry and Environment (DPIE) • Water licences Extraction licences – Natural Resources Access Regulator (NRAR) • National Performance Reporting (NPR) – Reporting against a common set of metrics related operational and capital performance including asset performance and pricing. • Annual water usage information - • Recycled Water Annual Report – DPIE • Groundwater licencing – DPIE • National Pollution Inventory - DPIE • Water Quality incident – Department of Health • Water Quality Management report – DPIE • Environmental indicators survey – Australian Bureau of Statistics • NSW Health Drinking Water Monitoring program – Health Department • Dam Safety – Dam Safety NSW (DSNSW). Strategies are normally developed in response to changing regulations or community requirements. Department of Climate Change, Energy, Environment and Water (DCCEEW) have a regulatory framework that requires utilities to evidence effective strategic planning in line with 12 outcomes nominated by DCCEEW. The Central Coast Water and Sewer Master Plan will be a key tool in achieving compliance with DCCEEWs requirements. Costs to support these strategies can be related to both the direct costs i.e. those associated with development of the strategy, mainly related to labour, contractor costs (factored into the expenditure)

	All forecast expenditure has considered the long-term environmental costs (negative impacts of human activity) and benefits (positive impacts/improve) to ensure that Council remains accountable, compliant and pro-active.
Environmental outcome performance measures	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Environmental outcomes that relate to the provision of regulated services, consistent with customer preferences, community views and waterway quality guidelines.	Community engagement insights related to environmental values were varied but the key concerns were: • Sustainability • Planning portal for capital works • Solar panels for energy generation • Zero gas emissions • Effective sewage disposal • Climate change • Educating younger residents on water conservation • Growth of the Central Coast in relation to appropriate infrastructure • Using varied water resources. • Protecting the environment around the catchments • Consideration to desalination for future water security • Using recycled water. These values are reflected in the expenditure forecasts for 2026-31 and actions, as well as the regulatory framework. Over the coming determination Council will continue with: • Implementation of Council's Environmental Management System (EMS). A procedure describing Council's approach to environmental incident management to ensure the effective, consistent, and timely response to and reporting of environment incidents. • Assessing all infrastructure activities with reference to the Environment Protection Authority (EPA) Regulations. The assessment includes impacts to flora, fauna, biodiversity, water, soil, heritage, community and social.

	• Vegetation clearing offsets. • Impact assessments with mitigation plans to protect waterways, biodiversity, threatened species and heritage. • Routine water quality monitoring to understand background environmental conditions. • Disturbance to ground or tree assessments as well as impacts to Aboriginal heritage. • Weed management in dam catchments. • Biodiversity monitoring and recording through dam catchments. • Climate change risk and adaption – long term plans to include infrastructure resilience, reduction of emissions and renewable energy.
Accountability for Environmental Outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Clear mechanisms to ensure the business is accountable for delivering environmental outcomes	Council will continue to provide performance reporting via the Water and Sewer Quarterly Performance Report and Annual Performance Report. To improve the accountability, Council will include environmental compliance against regulatory obligations. In addition, it will highlight costs associated with environmental activities.
Principle 6 Choice of services (not included for a standard submission)	

Principle 7 Robust costs (focus principle)	
Guiding question	***How well does your proposal provide quantitative evidence that you will deliver the outcomes preferred by customers at the lowest sustainable cost?***
Self-assessment grade: **Standard**	**Justify proposed expenditure** Proposed expenditure is consistent with past expenditure and explains steps or trends. Capital expenditure (CAPEX) clearly explains identifies recurrent and non-recurrent expenditure and justification for variance. Aligns to IPART's Base Trend Step **Optimise between opex and capex** Optimisation included in the Asset Management Plans for the whole of life asset costs and major investment decisions in relation to whole of life costs whether assets should be maintained or replaced. **Accountability for expenditure outcomes** Expenditure against the IPART determination and expenditure related to community values and outcomes will be reported annually.

Justify proposed expenditure	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**

• Proposed operating expenditure (opex) is consistent with past expenditure and clearly explains any step changes or trends.
• Proposed capital expenditure (capex):
  o is clearly explained
  o identifies baselines for recurrent expenditure and provides justification for any changes it proposes over time
  o for large capital projects with a clear scope is supposed by cost-benefit
	Council's operational expenditure program
	Council has adopted IPART'S base-trend-step (BTS) approach for its operational expenditure. The operational expenditure has been set on the 2024-25 (forecast actuals) and uses benchmarking against other water utilities of a similar size to ensure that the expenditure is efficient.
	
	The operational expenditure is defined as:
	
	• Recurring base expenditure
	• The trend factoring in number of connections, Wage and CPI increases as well as an efficiency factor of 0.7%

analysis is considering alternative options.	• Non-recurring expenditure, those costs that do not occur year to year, inclusive of changes to the base OPEX of expenditure that is not included in the 2024-25 forecasts. Step changes are those costs associated changing regulatory obligations. Refer to Technical Paper 5 for further explanation regarding the BTS methodology and costs associated with each component. In addition, the expenditure is linked to the community values, Council has undertaken a detailed review of its forecast capital expenditure (CAPEX), focusing on the need to undertake critical works to maintain service continuity to the community, age, and condition of assets within the water and sewer networks. It has also assessed the deliverability of works, factoring resources both internal and current market trends as well as community preferences of keeping costs for the customer low to ease cost-of-living pressures within our community (refer Capital expenditure, Technical paper 4). For all large capital projects Council has prepared business cases including a cost-benefit analysis and use of the Asset Management Plans for renewal works.
Optimise between opex and capex	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Demonstrates consideration has been given to opex and capex trade-offs.	Optimisation between OPEX and CAPEX has been included in the Asset Management Plans. In addition, our investment plans consider whole of life asset costs and trade-offs when considering the appropriate expenditure. • Water and sewer are continuing the transition to preventative maintenance programs to ensure its assets can more reliably achieve their expected useful life. This increase in planned maintenance will ultimately reduce reactive maintenance costs and minimise early renewals. Our planned renewal programs are also continuing to replace assets that are at the end of their serviceable life as part of achieving the right balance between performance, cost, and risk for our customers. These approaches are outlined in our Asset Management Plans. • During the current determination period there has been a focus on undertaking condition and performance assessments of various asset classes to ensure that our renewal programs are focused

	on the highest priority assets. This improved visibility on asset condition is vital to achieve an appropriate balance between opex and capex for an ageing asset base. • When undertaking a capital project, multicriteria options assessments are undertaken to determine the most suitable option. When undertaking these assessments, we consider both the capital and operating costs of the options being considered within a net present value assessment to consider the comparative whole of life cost of each option
Accountability for expenditure outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Expenditure performance targets have been identified that maintain compliance with licence conditions, other regulatory requirements, and are consistent with customer preferences.	Accountability for Council's expenditure and delivery against community values will be reported on annually against proposed outcomes and embedded into the accountability to our community. Outcomes against Drinking Water Management System (DWMS) and Environment Protection Licences (EPL) performance requirements are reported annually to the respective regulators, to identify expenditure requirements to improve operational performance and meet performance targets. The reporting will also be included in our customer/community reporting linked to accountability. In addition, the proposed expenditure will enable compliance with Council's licence conditions-. regulatory requirements and is consistent with community preferences and outcomes.

Principle 8 Balance risk and long-term performance	
Guiding question	***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?***
Self -assessed grade: **Standard**	In weighing up the benefits and risk of Council's investment decisions, Council considers: • long-term planning for growth • changes to demand • climate change impacts • environmental demands and impacts • water security and resilience • ageing asset management • changing community expectations • cost - economic changes and impacts to prices. Council manages the risk of investment decisions (including reprioritisation) by identifying and assessing: • long term risks • climate change risk • inflow risk • operational risks • underestimating cost or project delays • regulatory and policy risks • business risk – loss of revenue.

Understand long-term performance	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
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.	Council's investment planning processes ensure that investment decisions are aligned to its investment drivers and strategic direction whilst managing risks to its operations. Council's Water and Sewer seeks to align its outcomes to our community vision and objectives. Prioritisation of identified investment needs is undertaken to ensure that Council provides a value for money service to its customers. The 1-5-10 year investment plans incorporate: • Customer values and improved service • Regulatory and legislative requirements • Water security and sustainability • Asset Management Plans • Conditions and failure data • Treatment and network strategic planning. Council is also implementing an **Asset Management Improvement Plan** (AMIP) which aims to drive the Water and Sewer Directorate towards a rating of 'competent' across 39 asset management areas as outlined in the Institute of Asset Management (IAM) Maturity Gap Analysis, assessing Water and Sewer asset management practices against the Global Forum on Maintenance and Asset Management (GFAM) and the Institute of Asset Management's 6-box model. The Improvement Plan also identified six asset management strategic objectives of: *Strategic objective 1* - Optimise customer value by balancing service performance, risk, and cost. *Strategic objective 2* – Implement an Asset management system that enables sustainable and resilient water and sewer services. *Strategic objective 3* – Cultivate a culture of good asset management and continuous performance management.

	Strategic objective 4 – Manage a safe and complaint asset portfolio that meets service level requirements as defined by the Customer Charter *Strategic objective 5* - Make optimal whole of life asset management decisions supported by right asset information. *Strategic objective 6* – Ensure asset management is supported by the right leadership, skills, and capabilities. The AMIP will • Determine the best option and budget required to address defects or mitigate risk (obtaining specialist advice if necessary) • Nominate and review nominations for projects for the Capital Works Program (CWP), obtain approvals, commission new work or liaise with CWP management as appropriate • Monitor progress, provide support to the frontline staff as necessary, and revise the schedule of asset management works to reflect progress, budget and priority changes and update the IPS Technical Asset Register and/or the asset-related risk register. (refer Capital Expenditure Technical paper 4)

Manage risks and reprioritise	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Demonstrates all cost drivers and has mechanisms to monitor cost risks and reprioritise expenditures and asset management strategies as necessary. • Outlines its approach to manage long-term risks, including climate change.	In 2024, Council introduced a gated investment governance process known as the Water and Sewer Project Lifecycle. This process is overseen by a Water Investment Review Committee with management representation from asset planners, project delivery and operators. While there may be numerous candidate project proposals seeking to pass through a prioritisation approval process and a gated progress process, the Water and Sewer project prioritisation process is required to assess the risk of deferral of each proposal. This is required to determine which projects can continue to pass through each gate in consideration of available resources, expenditure, risk, budgets, efficient costs and best value, optimisation between CAPEX and OPEX solutions. The process goes through a number of gates that requires relevant information. 1. Initiation 2. Planning 3. Evaluation and Controlling 4. Closure 5. Review and Benefits Each gate requires relevant information (refer Capital Expenditure Technical paper 4) As a Local Water Utility (LWU), Council participates in the NSW Government's Strategic Planning Assurance process. This requires LWUs to demonstrate effective, evidence-based strategic planning to manage current and future risks while contributing to regional water security. As outlined in Technical paper 4, Council is currently developing the Central Coast Water and Sewer Master Plan (CCWSMP) as part of meeting the requirements of the Strategic Planning Assurance process. This supplements the previously prepared Central Coast Water Security Plan 2023 (CCWSP) which assessed the region's long-term supply/demand balance, while addressing the inherent risk and uncertainty in long term water planning. These risks included impacts to future streamflows and demand, influenced by underlying climate variability, future climate change, population growth and water usage patterns. As part of developing the CCWSMP, Council will also be undertaking a system resilience review across its treatment and network assets, considering various threat vectors including climate change induced risks.

Principle 9 Commitment to improve value	
Guiding question	*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?*
Self-assessment grade: **Standard**	**Develop cost efficiency strategy** A Cost Efficiency Strategy has been developed using a 0.7% efficiency factor. **Accountability for cost efficiency outcomes** Performance against the efficiency target will be reported annually with inclusion of progress against defined activities.

Develop cost efficiency strategy

Expectations under IPART's framework	Council's evidence to support self-assessment grade
• The business has a management approved and externally published cost efficiency strategy that includes: o An annual efficiency factor across opex and capex • Productivity improvements achieved and proposed, which highlight that the business is adopting innovations. o How it has performed against current period targets.	Council has developed a Cost Efficiency Strategy built on a continuous improvement cycle, designed to identify, implement, and assess efficiency initiatives. Its cyclical nature ensures Council remains proactive in seeking opportunities to operate more efficiently, consistently delivering high-quality services at the lowest sustainable cost to our customers. The efficiency factor used for setting the efficiencies is 0.7%, which equates to $18.4M for operational expenditure and $13.2M for capital expenditure.

Accountability for cost efficiency outcomes

Expectations under IPART's framework	Council's evidence to support self-assessment grade
Has clear mechanisms to ensure the business is accountable for achieving its proposed cost efficiency outcomes.	Council recognises the need to improve its communication with the community, and specifically the need to demonstrate its commitment to being accountable for the services it provides. To improve accountability, Council will include the Cost Efficiency Strategy and annual information for the community regarding it progress against its efficiency targets.

Principle 10 Equitable and efficient cost recovery	
Guiding question	***Are your proposed tariffs efficient and equitable, and do they appropriately share risks between the business and your customers?***
Self-assessment grade: **Standard**	• Water usage will reference the Long Run Marginal Cost (LRMC) and is proposed at $3.09 ($2025-26) • The water service charge is calculated second, by dividing the remaining water revenue required (total water revenue required – revenue earned from water usage) by the sum of number of residential dwellings and non-residential based on 20mm equivalents. • Sewer usage is calculated using the number of standalone residential dwellings multiplied by the discharge allowance (125kL) multiplied by the Short Run Marginal Cost (SRMC) proposed at $0.89, and then the number of shared dwellings multiplied by the discharge allowance (80kL) multiplied by the SRMC, then calculating the usage charge for non-residential dwellings by finding forecast sewer consumption multiplied by SRMC. The addition of residential shared and standalone dwellings and non-residential represents total revenue earned from wastewater usage charge. • The sewer service charged is calculated after, by dividing the remaining sewer revenue required by the sum of number of residential dwellings (standalone and shared dwellings) times discharge factor and non-residential dwellings based on 20mm equivalents times discharge factor. • Council modelled four price scenarios and used these scenarios to engage with our community to understand bill impact and affordability: ○ **Scenario 1**: Flat Pricing The scenario implements the maximum allowable price increase in the first year, maintaining that rate throughout the subsequent years of the determination (only adjusted for inflation) It also uses the LRMC to determine the water usage charge. ○ **Scenario 2**: Glide path Price Escalation: This scenario implements a modest and gradual price increase over the determination period, distributing the total required adjustment incrementally for water whilst sewer service charge increases with CPI only (no change to deemed usage). ○ **Scenario 2a:** Glide path Price Escalation as above. However, water usage charge increases each year and service charges reduce. This also includes an incremental increase for the sewer service charge. No change to deemed usage. ○ **Scenario 3:** Flat pricing, however the water usage charge is lower higher and the water service charge higher over the determination period. Council at this stage is not proposing any within period revenue adjustments.

Propose cost-reflective prices	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Propose cost-reflective maximum prices for customers, with: • Modelling to justify tariffs over the next determination period • A balance of fixed and usage charges that takes into account the long run marginal cost (LRMC) of providing services.	Council performed four tariff modelling scenarios for its proposal to recoup the required revenue requirements. It used the following inputs: • Long Run Marginal Cost (LRMC) for setting the water usage charge • Water demand forecasts to determine the forecast water sales • Forecast billable connections to determine the spread of the water and sewer service charge • Exempt properties to determine those properties exempt for service charges • Pensioner rebate concessions to determine revenue for funding rebates • Deemed sewer usage of 125kL for a house and 80kL for an apartment for determining the revenue from sewer usage • Discharge factors for non-residential billable connections to determine the sewer discharged form residential properties to forecast revenue. Council presented the scenarios to the community for a preferred model - refer Technical Paper 8 Pricing water and sewer services.

Justify within-period revenue adjustments	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Provides a robust justification for any revenue adjustments, consistent with IPART's revenue hierarchy principles.	Council at this stage is not proposing any within period revenue adjustments. The biggest driver of a within-period adjustment would be related to changes in regulatory requirements or any market shift that may change the cost of debt during the period.

Principle 11 Delivering	
Guiding question	***Can you provide assurance that you have the capability and commitment to deliver?***
Self-assessment grade: **Standard**	Council has committed to delivering several capital investments and operational initiatives to deliver the community values over the next determination period. The initiatives are listed in the Proposal in Section 8.1 Delivering. These initiatives will form part of the updated Accountability Strategy and reported against annually. If priorities change or price increases due to a change in the economic climate, then Council will adapt referencing urgency and importance.

Delivering	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Proposed expenditures and service outcomes can be delivered in the timeframe proposed. • Sets out how progress against key investments and performance targets (both short- and long-term) will be regularly monitored and communicated to its customers • Plans for foreseeable future challenges, including strategies for how it will reprioritise and adapt as changes arise. • 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.	The identified expenditure forecasts can be delivered within the timeframes set. This will be achieved by: • Continued monthly reporting that monitors service level delivery with activities to address performance (linked to the key performance measures includes Business Intelligence reporting). • Continued quarterly performance reporting for the community. • Continued use of the People's Panel as required pertaining to actions requiring community feedback. • Continued review, monitoring and reporting of water and sewer improvement initiatives (step changes) . • Using accredited and preferred supplies to ensure continuity of service. In addition, the use of contract suppliers, where binding agreements are established to provide continuous supply of specific goods and services for a set period of time. • Improved budget to actual monitoring using improved reporting. • Established committee to monitor progress against proposed expenditure. • Review all new investment submissions considering the prioritisation framework principals with primary considerations of: ○ Customer outcomes ○ Efficient cost ○ Best value, optimisation between CAPEX and OPEX solutions ○ Criticality ○ Resourcing (deliverability) ○ Cost estimation, phasing and accuracy. • Review alignment to legislative and regulatory requirements. Provide advice on opportunities, innovation, synergies and/or potential conflicts.

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Review alignment to strategic business plans and corporate operational and delivery plans
Enhance the current Accountability Strategy to include reporting against efficiencies, expenditure, and performance against community values.
Review benefits realisation and ensure that proposed benefits are tangible.
Monitor endorsed submissions against monthly cashflow and planned milestones.
Review and mitigate any deliverability risks or performance issues.
The proposal includes Quality Assurance certification that certifies the accuracy and consistency of data.
The proposal the has been approved in accordance with the governance arrangements established by Council resolution and consistent with the Local Government Act 1993.

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<tr><th colspan="2">Principle 12 Continual improvement</th></tr>
<tr><th>Guiding question</th><th>Does the proposal identify shortcomings and areas for future improvement</th></tr>
<tr><td>Self-assessment grade:

Standard</td><td>Council has delivered many new processes and strategies over the current determination period and will continue these external facing commitments.

Delivery Plan – central to Council’s strategy to deliver on our promises made under Council’s four-year Independent Pricing and Regulatory Tribunal (IPART) Determination. This plan reports progress bi-annually and focuses on three key areas: accountability, community engagement and asset management.
Annual Performance Report offers a yearly overview on water and sewer service and business metrics. This report for 2023-24 evaluates performance across water quality, effective planning, reliable services, environmental focus, quality treatment and affordability. The report allows customers to monitor long-term trends and observe Council’s ongoing accountability.
Customer Charter - has been informed through Council’s targeted engagement with the community, ‘Improving your water and sewer services’. The Charter outlines our standards of service and mutual responsibilities between Council and our customers as defined by our newly customer-defined water and sewer values.
Complaints Management Framework – places the customer at the centre of water and sewer services.

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<tr><th>Expectations under IPART’s framework</th><th>Council’s evidence to support self-assessment grade</th></tr>
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Justified self-assessment
Performance targets have been monitored and communicated to customers over the previous

</td><td>Council has completed the self-assessment and rated itself as Standard.

The proposal has been approved in accordance with IPART’s attestation requirements.</td></tr>
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period, consistent with past regulatory proposals. • You have justified and explained past performance to customers. • 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. • Identifies any shortcomings in its proposals including its plans to address any shortfalls.	Performance targets have been monitored over the current determination and is presented quarterly to the community via our website. All current and past performance is explained to our customers and is identified in Technical paper 2 Service levels. The Proposal defines the efficiencies achieved over the current determination as well as updates on the Regulatory "step changes" for the current submission. The lessons learnt from the current determination (2022-26) is related to Council's ability to ramp up our labour to deliver the promised services in year one. It also highlighted that the impact on both cost and contractor availability was impacted by COVID. Council also has identified future focus regarding: • Improved expenditure monitoring • Enhanced reporting • Better use of data • Understanding the impacts of a higher usage charge on demand elasticity • Increasing our reach to members of our community • Using technology to improve processes.

Technical Paper 11

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