



Review of Central Coast Council water prices – Funding stormwater services

Information Paper

May 2022

Water >>



Tribunal Members

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair
Deborah Cope
Sandra Gamble

Enquiries regarding this document should be directed to a staff member:

Scott Chapman (02) 9290 8449
Sheridan Rapmund (02) 9290 8430

The Independent Pricing and Regulatory Tribunal (IPART)

Further information on IPART can be obtained from [IPART's website](#).

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Contents

1	Stormwater costs should move to local government rates by 1 July 2026	1
1.1	Stormwater services have 2 funding sources	2
1.2	All stormwater should be funded through local government rates from 2026	2
2	CCC Water proposed funding more stormwater activities	6
3	We consulted on how to fund stormwater drainage	7
3.1	Stormwater services should be funded by local government rates	7
3.2	Feedback showed support for funding stormwater through local government rates	8
3.3	The council intends to fund stormwater through local government rates by the end of the determination period	9
4	Our decisions signal local government rates should fund stormwater	11
4.1	We decided not to transfer \$15.5 million in additional costs to stormwater prices	11
4.2	Our prices will increase stormwater bills by 20%	12
4.3	We have set stormwater prices to \$0 should the 2022 Determination apply after 1 July 2026	14

1 Stormwater costs should move to local government rates by 1 July 2026

IPART sets the maximum prices Central Coast Council can charge its customers for the water, wastewater and other services provided by it as a Water Supply Authority.

IPART also sets the maximum percentage by which Central Coast Council may increase its general income each year through the local government rate peg or special variations.

To ensure it is clear which of Central Coast Council's responsibilities IPART is referring to, throughout this report:

- we refer to the Central Coast Council's functions as a Water Supply Authority under the *Water Management Act 2000* as '**CCC Water**'
- we refer to the Central Coast Council's local government functions under the *Local Government Act 1993* as '**the council**'.

Further information is available in our *Technical Paper – Regulatory background*.

We have reviewed CCC Water's prices for its water-related services, considered all community feedback to our review and have made our final decisions on the maximum prices CCC Water can charge over the 4 years from 1 July 2022 to 30 June 2026.^a Our review only considers prices and costs related to CCC Water. It does not consider those related to the council's general activities for which it charges local government rates, levies and other charges.^b

We consider our prices would allow CCC Water to deliver good quality water and improve services to the community – now and in the future. This Information Paper focuses on funding stormwater services.

Stormwater services collect rainfall runoff from household, business and public land, and then transport, treat and dispose of it into rivers, lakes or the ocean. The council and CCC Water are responsible for planning, constructing and maintaining the infrastructure used to provide these services – such as pipes, channels, storages and treatment facilities.

^a As part of our review we must consider certain matters under the *IPART Act 1992 (NSW)* – detailed information is available in our *Technical Paper – Regulatory background*.

^b IPART can also review increases to the council's income from rates, but this is a separate review through the special variation process.

1.1 Stormwater services have 2 funding sources

CCC Water currently gets the income it needs to cover some of the costs of stormwater services through the stormwater charges IPART sets for CCC Water. CCC Water levies a yearly stormwater drainage charge on household and business customers in the declared drainage area within the council's boundaries.^c

The council can also fund some or all of its stormwater drainage services as a general council function through local government rates which ratepayers pay for through their local government rates bill (or rates notice). In this review, CCC Water proposed to shift the stormwater costs funded by local government rates to CCC Water, so that more stormwater costs would be funded by stormwater charges that IPART sets.

For this review we considered 2 issues relating to stormwater services provided by CCC Water:

- First, we considered CCC Water's proposal to shift more stormwater costs from local government rates to CCC Water, so the stormwater drainage charge IPART sets would cover all of CCC Water's and the council's stormwater-related costs.
- Second, we considered whether we should continue to set stormwater drainage prices as a water-related service at all for CCC Water, or whether these services should instead be fully funded through local government rates.

1.2 All stormwater should be funded through local government rates from 2026

In our view, all of CCC Water's and the council's stormwater services should be funded from local government rates. These services provide benefits to the whole community, not just the individuals who pay stormwater bills. Therefore, we think they should be funded through local government rates like other services that benefit the whole community. below sets out CCC Water's proposal and our decisions on how stormwater services are funded.

^c Find out if your household or business is located in an existing stormwater drainage area [here](#) (on page 28).

Figure 1.1 How stormwater services are and will be funded

Stormwater activity	Current	CCC Water proposed	IPART decision until 30 June 2026	IPART view from 1 July 2026
Flood planning	Local Government rates	IPART prices	Local Government rates	Local Government rates
Urban channel maintenance				
Stormwater quality management				
Stormwater drainage network management	IPART prices	IPART prices	IPART prices	Local Government rates

In line with this view, we have maintained our draft decision not to accept CCC Water's proposal to transfer \$15.5 million^d in stormwater costs currently funded through local government rates to CCC Water. This decision is also discussed in our *Information Paper – Operating and capital costs*.

In its submission to our Draft Report, the council accepted that stormwater services should be funded via local government rates from 1 July 2026. However, for this determination period, it disagreed with our draft decision to not move more stormwater costs from local government rates to CCC Water. CCC Water proposed an alternative pricing model that included some of the costs it wanted to transfer.²

A few community stakeholders also made comments about timing and impacts of funding stormwater services via local government rates on customers, including those with farmland.³ Some stakeholders were uncertain about the impacts of changing the funding source.⁴

We considered all feedback and maintained our view that all stormwater services should be funded by local government rates after 30 June 2026. We have specified in our Determination that if the 2022 determination period extends beyond 30 June 2026, the stormwater charge will be set at \$0 from 1 July 2026. This will allow the council time to move all stormwater costs from CCC Water to the local government fund before its next pricing review. It will:

- allow CCC Water to meet its stormwater costs and avoid under-recovering its costs
- allow the council time to develop a system to fund stormwater services through local government rates (e.g. through a new rating system) and if needed, to prepare a special variation application to IPART for any increase to local government rates revenue as a result or introduce a stormwater levy
- give the council and CCC Water enough time to consult with its customers.

^d In \$2021-22.

We expect the council to consult with its customers, including those with farmland, and the rural community as it develops a new system to fund stormwater services through local government rates. We intend that this pricing review will be the last time we set stormwater charges.

We have set stormwater prices for the 4 years of the 2022 determination period. Our decisions on stormwater charges mean the price will:

- increase by 20% on 1 July 2022. This is more than our draft decision increase of 17% due to an increase in inflation (from 3.2% to 5.1%), an increase in operating costs by 1.3% and a slight increase in capital costs over the 2022 determination^e
- increase in line with inflation each year from 2023-24 until 2025-26
- be \$0 on 1 July 2026 if the 2022 Determination remains in force.^f We expect the council to consult with its customers on funding options including charging a higher local government rate and/or separate stormwater levy.



While this increase is relatively large, we consider that the price increase is necessary so that CCC Water can maintain and update stormwater drainage works and ensure it meets its service standards. That said, we consider that CCC Water needs to consult with its community about the level of service the community expects. More generally, we consider that CCC Water needs to improve its performance and we discuss this further in our [Information Paper – Improving performance](#).

^e More detail on operating and capital costs is available in our [Information Paper – Operating and capital costs](#).

^f The next Determination is scheduled to commence on 1 July 2026. However, if that new Determination is not made or is deferred, the 2025-26 prices in this 2022 Determination would otherwise continue to apply until a new Determination comes into force.

Our decisions are:

9. To not accept CCC Water's proposal to transfer \$15.5 million in stormwater costs currently funded through local government rates to CCC Water.
10. To include in the Determination that the stormwater drainage service charge will be set to \$0 in the event that the 2022 Determination applies beyond 30 June 2026.

A complete list of all our Final Report decisions and recommendations is available in our [Final Report Summary](#).

2 CCC Water proposed funding more stormwater activities

CCC Water proposed changes to the stormwater-related activities it funds through its charges. IPART sets prices for stormwater services to cover the costs of most stormwater activities - including stormwater drainage network management activities, such as asset planning, capital works and maintenance.

The costs of other stormwater activities are funded by local government rates. These include urban channel maintenance, flood planning and stormwater quality management.^{g,h} CCC Water proposed to transfer these costs from local government rates to CCC Water, so the stormwater drainage service charge that IPART sets would cover all stormwater-related costs of CCC Water and the council.

CCC Water also proposed to increase its spending on:

- stormwater infrastructure inspections, cleaning and repair
- reducing reactive maintenance and preventing risks of infrastructure failure
- updating stormwater drainage works
- improving stormwater quality management to maintain the health of local waterways
- flood risk management including managing creeks to prevent flooding
- ensuring dam safety standards are met.⁵

Under CCC Water's proposal, the CCC Water stormwater drainage service charge would increase substantially by 73% on 1 July 2022.ⁱ This would recover increased spending and the costs it proposed to transfer from local government rates.

^g In our Draft Report, we referred to these activities as "environmental management" activities based on CCC Water's proposal that such stormwater activities are undertaken by the Environmental Management Unit.

^h The cost of kerb and guttering is included in the funding from local government rates, not the charges we have set.

ⁱ This increase of 73% has been updated for inflation since our Draft Report which reported the increase as 69%.

3 We consulted on how to fund stormwater drainage

We sought community views on this issue through feedback on [CCC Water's proposal](#), our [Issues Paper](#), [Information Paper on Stormwater Drainage](#) and [stormwater survey](#), and [Draft Report](#).

3.1 Stormwater services should be funded by local government rates

How stormwater drainage services should be funded has been an important issue for previous reviews as well as the current review. After considering CCC Water's proposal and community feedback, we consider all stormwater drainage costs should be funded through the council's local government rates, not through the stormwater charges we set for CCC Water.

In our view, this is appropriate because stormwater services provide benefits to the whole community – not just to the individuals who currently pay stormwater bills. Stormwater services help people move around after heavy rain, for example, to go to the shops and do errands. Therefore, they should be funded through local government rates like other services that benefit the whole community – such as maintaining public parks and sportsgrounds and building roads and bridges.

In our last review of CCC Water's stormwater prices in 2019, we said there was a strong case for stormwater charges to be funded through the council's local government rates. Although we decided to set stormwater charges for the 2019 Determination, we indicated that CCC Water should consider transferring all stormwater-related costs to the local government rates fund. We also indicated we would reconsider this issue in our next price review.⁶ However, in this review, CCC Water has proposed it fund more stormwater costs that are currently funded by local government rates.

3.2 Feedback showed support for funding stormwater through local government rates

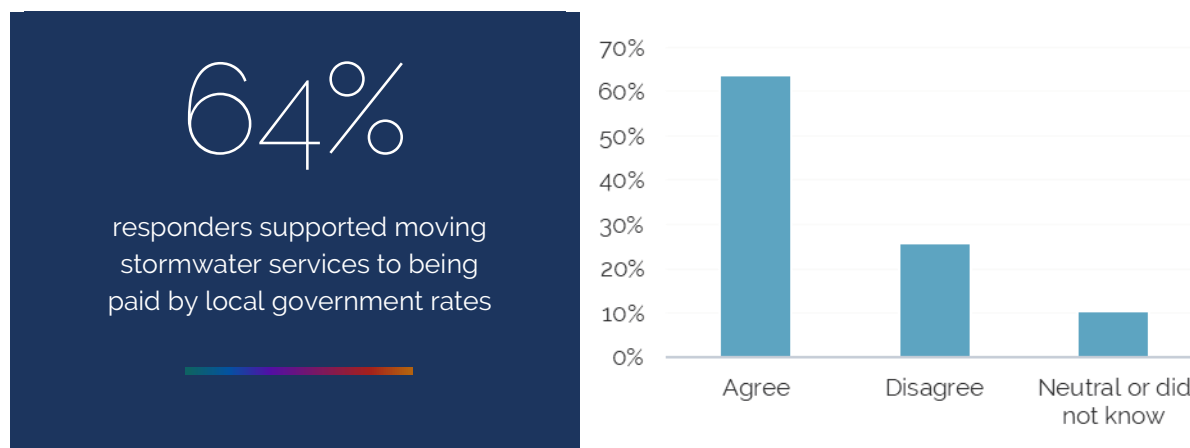
We consulted with the community on how stormwater services should be funded, through the charges IPART sets for CCC Water or through local government rates income.^j We also consulted on the option of setting stormwater prices to \$0 at some point during or after the 2022 determination period. We considered that this would make clear to CCC Water it should move all its stormwater costs to be funded by the local government rates fund.

Most (64%) of the respondents to our stormwater survey agreed that the costs of stormwater services should be funded by local government rates. Some respondents:

- considered stormwater services to be a community service rather than a water supply service
- thought that this would avoid potentially paying for stormwater services twice
- were concerned about the transparency of costs and prices, that is, if the money would really be spent on delivering stormwater services
- were also concerned about CCC Water's performance and current service levels.

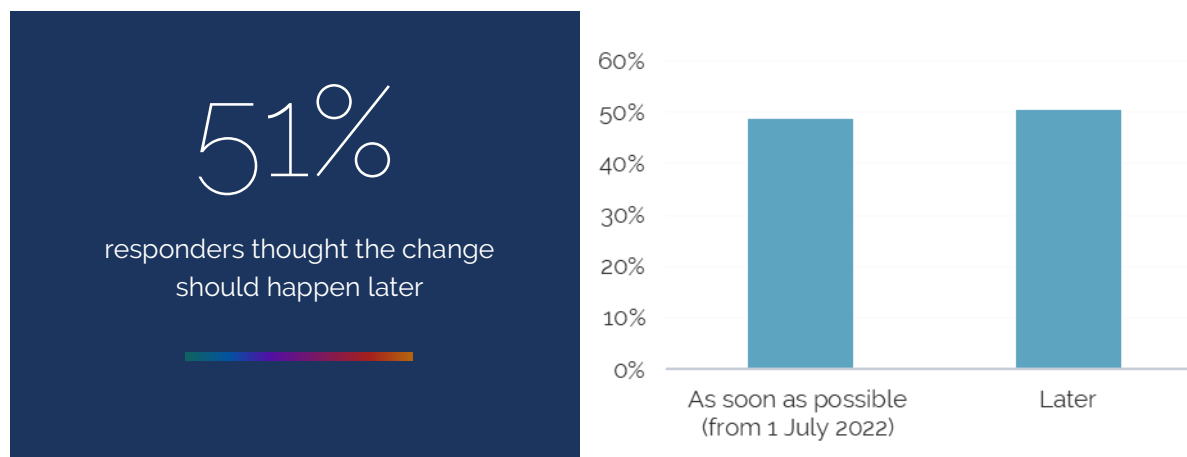
The Public Interest Advocacy Centre's (PIAC's) submission to our Issues Paper and Draft Report also supported funding stormwater services from local government rates. PIAC considers it is more effective to have a single funding mechanism to deliver all aspects of stormwater services.⁷ In its submission to our Draft Report, PIAC also questioned why stormwater costs could not be transferred to local government rates sooner and suggested that this would help mitigate impacts.⁸

Community feedback on stormwater services generally indicated that for many households, stormwater services are perceived to be inadequate or non-existent. Therefore, they considered the proposed increase was unjustified, too high and potentially unaffordable. We received similar feedback to our Draft Report. Community feedback to our Draft Report also included concerns about recent stormwater flooding events.



^j We received 271 responses to our stormwater survey. Survey results can be viewed [here](#) on our website.

Should all stormwater services be funded by local government rates, we found that about half of the 271 survey respondents preferred the change to happen as soon as possible while the other half preferred the change to happen later.



Several submissions to our Draft Report, as well as comments at our public hearing, discussed the proposal to transfer stormwater costs to the local government rates. Organisations including the Avoca Beach Community Association,⁹ Central Coast Plateau Chamber of Commerce¹⁰ and NSW Farmers¹¹ supported the transfer of costs to local government rates, however some expressed concerns over transparency and how the council would fund its stormwater costs.¹²

3.3 The council intends to fund stormwater through local government rates by the end of the determination period

In its [submission](#) to our [Information Paper on stormwater drainage](#), CCC Water agreed that stormwater services are best funded through local governments rates. It recognised that funding stormwater services through local government rates would allow the council to more efficiently manage its road and drainage functions and simplify administration and reporting.

In early consultation, we proposed setting stormwater prices to \$0 on 1 July 2024, in 2 years' time. CCC Water opposed this, arguing that it would be unable to cover its stormwater costs and would compromise its financial position.

The council considered that if it were to transfer stormwater costs to local government rates, it would likely require an increase in local government rates to maintain stormwater service levels. CCC Water also argued there would be insufficient time to consult with its ratepayers and develop a new system for funding stormwater services through local government.¹³

In November 2021, the council passed a resolution to fund all stormwater services through local government rates from the next determination period, which the council proposed commence on 1 July 2026.¹⁴ By this time, the council intends to transfer the stormwater drainage charge (that IPART currently sets for CCC Water) to a stormwater drainage special rate variation or equivalent under the *Local Government Act 1993 (NSW)*. The stormwater drainage charge would be removed from CCC Water's stormwater customers' water bills and added to the council's ratepayers' local government rates notices.^{15, 16}

In its submission to our Draft Report, the council agreed that the stormwater drainage network provides a regional benefit to the community, re-iterating its resolution to fund all stormwater drainage services through local government rates.

It is likely that the council would need to consider and consult on options for funding its stormwater services. The council should consider all options available to it under its current rates income before seeking to increase rates to raise additional funds. However, if it cannot cover its stormwater costs through existing local government rates at the next determination, it may consider whether it needs to apply to IPART for a special variation to its local government rates revenue to ensure that it recovers its stormwater costs and maintains services. This process would require community consultation on funding stormwater services, and we expect the council to consult with its ratepayers. This consultation could also be carried out alongside consultation on CCC Water's water and wastewater prices for its next pricing submission. This could help to avoid community consultation fatigue and reduce the risk of customers being less likely to engage.

If the council considers it needs to apply for a special rate variation to fund stormwater costs at the end of the 2022 determination period, we will review the council's application at that time.

4 Our decisions signal local government rates should fund stormwater

In making our final decisions on stormwater prices, we considered CCC Water's proposal and submission to our Draft Report, as well as community views on stormwater prices and services, and the findings of our expenditure review on stormwater costs. The following sections explain our findings and decisions.

4.1 We decided not to transfer \$15.5 million in additional costs to stormwater prices

In line with our view on funding stormwater services, we have decided not to accept CCC Water's proposal to transfer \$15.5 million in additional stormwater costs from the local government rates fund to CCC Water. This means our final prices will not allow CCC Water to recover these additional costs, so customers will not pay for these costs.

The findings from our consultant's expenditure review showed that:⁷

- Without the additional stormwater costs CCC Water proposed be transferred, stormwater spending would be similar to CCC Water's actual spending in the 2019 determination period. However, CCC Water spent more than the costs we used to set prices during the 2019 determination period.^k
- If the additional costs were transferred to CCC Water, a reasonable level of costs would be between 3% and 16% lower than what CCC Water has proposed for the additional services (water sensitive urban design, urban channel maintenance and, flood strategy and planning).

CCC Water did not support our draft decision to exclude stormwater costs that it proposed to transfer from the local government rates fund. It argued that these activities should fall into the scope of stormwater services we set prices for. It suggests they are critical stormwater service activities that we have included when setting prices in the past.^l

The council noted that funding these services is at the cost of other community services. It argued that the inclusion of these services in the prices IPART sets would help to streamline the transition of stormwater costs to the local government rates fund. It considers this would simplify future consultation and reduce community confusion.

^k The 20% increase in stormwater prices reflects an increase in the costs for the 2022 Determination compared with those used to set prices for the 2019 Determination. According to our expenditure review, over the 2019 determination period, CCC Water's actual and forecast actual expenditure on stormwater costs is \$5.5 million (around 21.3%) more than what we used to set prices.

^l CCC Water explained these services were formerly funded via IPART's stormwater charges determined for the former Gosford City Council, and by a \$25 per year stormwater levy for the former Wyong Council. Since this levy ceased in 2016-17, these services have been funded by local government rates.

CCC Water also submitted an alternative pricing proposal to transfer and fund some of the proposed additional costs. It suggested stormwater prices would be \$127 from 1 July 2022 in line with our draft decision but would then increase on average by 6% each year. The stormwater price in 2025-26 would be \$152 reflecting a 20% increase from the price in the first year, or a \$25 increase equivalent to the yearly stormwater levy that the former Wyong council charged.¹⁸

We have considered CCC Water's alternative pricing model but have maintained our decision to not transfer the proposed additional costs from the local government rates to the stormwater charges IPART sets. We indicated in our 2019 review that CCC Water should transfer all its stormwater costs to the local government fund. We intend that this is the last time that IPART sets stormwater charges for CCC Water.

We have set prices based on the results of our expenditure review which are limited to activities currently funded by IPART-set charges. This does not include costs proposed in CCC Water's alternative stormwater pricing model. Our decision on stormwater expenditure is set out in our [Information Paper – Operating and capital costs](#).

4.2 Our prices will increase stormwater bills by 20%

We have reviewed the efficient costs for stormwater and set yearly stormwater prices based on these. Under our pricing decisions, prices increase by 20% on 1 July 2022, from \$108 to \$130 for a typical household. This is \$56 lower than CCC Water proposed. CCC Water proposed a 73% increase in stormwater prices on 1 July 2022.^m

We have set stormwater charges so that the increase occurs on 1 July 2022. Prices will then increase in each following year of the 2022 determination period by inflation only.

A more gradual increase would have led to prices being the highest in the last year of the determination period and CCC Water to earn more in the final year to compensate for earning less in the earlier years of the determination. We consider this would also be out of step with our intention to make clear to the council that we do not intend to set stormwater charges for CCC Water in the next determination.

Table 4.1 compares our decision on stormwater drainage yearly charges with CCC Water's proposed prices. Our price path decisions are explained further in our [Information Paper – Prices and bill impacts](#).

^m In our Draft Report we reported our draft decision increase to stormwater bills to be 17% and CCC Water's proposed increase to stormwater bills to be 69%. This is now 20% and 73%, respectively as updated with the latest inflation figures.

Table 4.1 Our decision on stormwater drainage yearly charges

Type of customer	Current	CCC Water proposed	IPART decision	% change current to CCC Water proposed	% change current to IPART decision
	\$2021-22	\$2022-23	\$2022-23		
House	108	186	130	73%	20%
Apartment	81	140	98	73%	20%
Farmland	108	186	130	73%	20%
Vacant land	81	140	98	73%	20%
Businesses					
• Small/low impact	108	186	130	73%	20%
• Medium	189	326	228	73%	20%
• Large	891	1,537	1,073	73%	20%
• Very large	2,700	4,658	3,252	73%	20%

Note: Prices for 2023-24 to 2025-26 will also increase each year in line with inflation.
Source: IPART analysis.

While this price increase is large, this is needed to reflect the costs of necessary work to maintain and update stormwater drainage works and ensure CCC Water meets its service standards. Based on our expenditure review, the price increase also reflects the amount of stormwater costs that a reasonably efficient water supply business would have.ⁿ We have heard from the community that there are concerns regarding the level of stormwater services. In its presentation at our public hearing, the Davistown Progress Association expressed the need for the council to address flooding issues and the need for stormwater upgrades.¹⁹

We are also aware that while pensioner concessions are provided for water and wastewater services, they are not provided for stormwater services. However, pensioner concessions are provided for in local government rates. We have also recommended that the NSW Government undertake a state-wide review of pensioner concessions as set out in our *Information Paper – Prices and bill impacts*.

ⁿ Our expenditure review indicated that in general, CCC Water's actual spending has not been at a sustainable level. The consultants have recommended costs based on benchmarking Australian water businesses to ensure customers only pay for the efficient costs that reflect what a water business' costs should be.

4.3 We have set stormwater prices to \$0 should the 2022 Determination apply after 1 July 2026

As mentioned earlier, we intend that this current pricing review will be the last time we set stormwater charges.

We have included a clause in our Determination that, in the event the 2022 Determination applies beyond 30 June 2026, CCC Water's stormwater drainage charge will be set at \$0 from 1 July 2026. This is intended to make clear to CCC Water that it should move all its stormwater costs to the local government rates fund before the end of the 2022 determination period.

We consider this approach reasonable because it will:

- Allow CCC Water to meet its stormwater costs and avoid under-recovering its costs which could affect the delivery of stormwater services during the determination period.
- Allow the council time to develop a system to fund stormwater services through local government rates (e.g. through a new rating system) and if needed, to prepare a special variation application to IPART for any increase to local government rates revenue as a result or introduce a stormwater levy.
- Give the council and CCC Water enough time to consult with its customers and the opportunity to consult at one time on both funding for stormwater, and water and wastewater prices for its next pricing submission. This could help to avoid community consultation fatigue and reduce the risk of customers being less likely to engage.

If the 2022 Determination continues to operate beyond 30 June 2026, stormwater charges will be set to \$0, and customers will pay a \$0 stormwater bill to CCC Water from 1 July 2026. This would result in a decrease in customer water bills by the amount of the stormwater charge including inflation.

On balance, we consider this would lead to a better outcome for both the community and the council. If CCC Water proposes that IPART sets stormwater charges in the next determination period, it must justify why prices should not be \$0. We recommend that CCC Water take steps to transfer its stormwater costs to local government rates to prevent underfunded stormwater services.

One submission to our Draft Report expressed concern that if stormwater costs were transferred to local government rates, this could lead to inefficiencies in hiring new staff when there is already expertise from the CCC Water business. We consider the council may continue to use the same expertise (e.g. project managers or engineers) it currently has for CCC Water, but it should fund these costs from local government rates by the next determination.²⁰

In its submission to our Draft Report, PIAC questioned why stormwater costs could not be transferred to local government rates sooner and suggested that this would help mitigate impacts. Our decision to continue to set stormwater charges under the 2022 Determination until 30 June 2026 considers the need for the council to consider its options for funding stormwater services including the possibility of applying for a special variation or charging a stormwater levy, and the importance of allowing enough time for community consultation. We also considered the potential impacts on service levels if the council could not meet its stormwater costs.

Local government rates may increase if stormwater prices are set to \$0

Should CCC Water transfer all stormwater costs to the council, the council would be responsible for determining how it would charge for stormwater and the amount it would charge. However, IPART does have a role in determining the rate peg and special variations which apply to the council's local government rates general income as a whole. Some stakeholders were concerned about the transparency of transferring stormwater costs. However, if the council considered it needed to apply for a special variation for stormwater costs, IPART would review the council's application at the time, against the relevant criteria.

Unlike the current arrangement where only customers living in a declared drainage area pay CCC Water stormwater charges, if stormwater costs are funded through local government rates, it is likely that all ratepayers would pay and contribute to stormwater services. So, the amount that a customer pays towards stormwater drainage may be less than what a customer would otherwise pay as a yearly stormwater drainage charge set by IPART. It may also mean that some ratepayers are contributing to stormwater costs for the first time. As mentioned, pensioner concessions are applied to local government rates but not to the stormwater drainage charge set by IPART.

The impact of this proposed change would affect ratepayers differently depending on a number of factors, including how the council decides to collect the additional revenue from its ratepayers. In general, how ratepayers' rates change would also be affected by how much ratepayers' land is worth as rates are typically linked to unimproved land value. This would also affect the rural community.

In response to our Draft Report, some people raised concerns that this may adversely impact on customers with farmland and the rural community. For the rural community, while customers would not pay a stormwater bill as part of their water services bill (which customers expressed concerns about), they are still likely to pay for stormwater services through their local government rates. They would contribute to the stormwater services that are provided for the community that they would still benefit from. However, it is a matter for the council to decide who pays for stormwater services. In making its decisions on funding stormwater, we expect the council to consult with all its customers including those with farmland and the rural community, and those located west of the M1 highway, as it develops a new system to fund stormwater services through local government rates.

It is important for customers to understand that if the 2022 Determination is extended and the stormwater charges IPART sets for CCC Water are set to \$0, the council would need to fund all stormwater costs from its local government rates fund. The council should consider all options available to it within its current rates income before seeking to increase rates to raise additional funds. However, if it cannot cover its stormwater costs through existing local government rates at the next determination, it may consider whether it needs to apply to IPART for a special variation to its local government rates revenue.

If the council considers it needs to apply for a special rate variation to fund stormwater costs at the end of the 2022 determination period, we will review the council's application at that time.

Table 4.2 presents a potential timeline for stormwater pricing under our decisions.

Table 4.2 Potential timeline for stormwater pricing under our decisions

Year	Our decision option
2022-23	<ul style="list-style-type: none"> New stormwater prices apply (from 1 July 2022 to 30 June 2026)
2023-24	<ul style="list-style-type: none"> Prices to continue
2024-25	<ul style="list-style-type: none"> Prices to continue Potential consultation on water and wastewater prices and consultation on stormwater funding options (early 2025)
2025-26	<ul style="list-style-type: none"> Prices to continue CCC Water's pricing proposal to IPART due (mid 2025) SV applications to IPART due (early 2026)
2026-27	<ul style="list-style-type: none"> New water price determination or extended 2022 Determination with \$0 stormwater prices (potential higher local government rates or special stormwater levy) (from 1 July 2026)

- ¹ Frontier Economics & Mott MacDonald, *CCC Water Expenditure Review – Final Report for IPART*, April 2022, p 186.
- ² CCC Water, submission to IPART's Draft Report for the 2021-22 CCC Water price review, 14 April 2022, pp 56-61.
- ³ Central Coast Plateau Chamber of Commerce, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022.
- ⁴ For example, see Community Environment Network, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022, pp 2-3; J. Strang, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022.
- ⁵ CCC Water, pricing proposal to IPART, September 2021, pp 17-18 and CCC Water, pricing proposal to IPART – *Technical Paper 5 Operating Expenditure*, September 2021, pp 60 & 61.
- ⁶ IPART, *Review of Central Coast Council water, sewerage and stormwater prices to apply from 1 July 2019 – Final Report*, May 2019, pp 125-126.
- ⁷ Public Interest Advocacy Centre (PIAC), submission to IPART's Issues Paper for the 2021-22 CCC Water price review, 2 November 2021, pp 6-7.
- ⁸ Public Interest Advocacy Centre (PIAC), submission to IPART's Draft Report for the 2021-22 CCC Water price review, 13 April 2021, p 2.
- ⁹ Avoca Beach Community Organisation (ABCA), submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022 p 1.
- ¹⁰ Central Coast Plateau Chamber of Commerce, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022.
- ¹¹ IPART, *Public Hearing Transcript – Session A*, 5 April 2022, p 11.
- ¹² J. Cain, submission to IPART's Draft Report for the 2021-22 CCC Water price review, March 2022.
- ¹³ CCC Water, submission to IPART's Information Paper on Stormwater Drainage, 15 November 2021, p 4.
- ¹⁴ CCC Water, submission to IPART's Information Paper on Stormwater Drainage, 15 November 2021, pp 2-3.
- ¹⁵ CCC Water, submission to IPART's Information Paper on Stormwater Drainage, 15 November 2021, p 5.
- ¹⁶ CCC Water, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022, p 57.
- ¹⁷ Frontier Economics & Mott MacDonald, *CCC Water Expenditure Review – Final Report for IPART*, April 2022, pp 186, 188.
- ¹⁸ CCC Water, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022, pp 58-61.
- ¹⁹ IPART, *2021-22 Central Coast Council Water price review – Presentation for Public hearing*, 5 April 2022, pp 22-25.
- ²⁰ J. Caun, submission to IPART's Draft Report for the 2021-22 CCC Water price review, April 2022.