IPART is reviewing prices for Central Coast Council's water and wastewater services

21 October 2025

IPART sets the maximum prices that Central Coast Council can charge its customers for water, wastewater and related services excluding stormwater.[1] The maximum prices we set in this review will apply from 1 July 2026.

Our price review focuses on protecting customers' ability to pay and promoting value for money, while aiming to help the water business remain financially viable to efficiently deliver its services. Local water utilities should provide services that meet customer and community needs, expectations and preferences.[2] Our aim is to hold water businesses accountable in a way that delivers good short, medium, and long-term customer and community outcomes.

For our review of Central Coast Council's water and wastewater services, we will use the term '**CCC Water**' to refer to the Central Coast Council's function to deliver water and wastewater services. When we refer to the Central Coast Council's local government function, we will use '**the Council**'.

Customers should pay only what CCC Water requires to efficiently deliver the services its customers need. Over the next 6 to 9 months, we will seek feedback from stakeholders, and assess and make decisions on efficient costs, prices and the impact on customer bills.

> Access to safe, reliable and affordable water and wastewater services at a fair price is critical to our communities, environment and economy now and in the future.

In previous price determinations, we have also set maximum prices for CCC Water's stormwater services. We will not be setting maximum stormwater prices anymore. From 1 July 2026, the Council will cover the costs of its stormwater services through alternative funding avenues.

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

We value your input and we want to hear from you

We will conduct a thorough and transparent process to examine the costs and impacts for customers, which includes consulting customers and stakeholders. Your input is valuable to us and will help us make decisions.

You can get involved by making a submission to this Issues Paper on any matters relating to this review that you would like to tell us about, or responding to all questions, or only those that interest you. If you prefer, you can complete our short survey or register your interest in attending the online Public Hearing on 20 November to discuss these topics in more detail.

Have your say

Your input is critical to our review process.

You can get involved by making a submission, completing the survey or attending the public hearing.

Make a submission »

Complete the survey »

Attend the public hearing »

Subscribe to IPART »

All stakeholders – including CCC Water's customers and the broader community – will have several opportunities to have their say during our price review.

- Our public consultation process starts with this Issues Paper and CCC Water's pricing proposal. We are seeking your feedback on CCC Water's pricing proposal and our approach to this review. Submissions to this Issues Paper are due by 28 November 2025. We encourage submissions to include examples, evidence and data to help us gain a more comprehensive understanding of your views.
- Our online survey will be open on our website from 21 October to 28 November 2025.
- We will hold an online Public Hearing on 20 November 2025. The Public Hearing will be an opportunity to provide your feedback on this price review directly to the Tribunal and IPART staff.
- We will consider all stakeholder and customer feedback, as well as input from our independent experts and our own analysis, before publishing a Draft Report with our draft decisions in March 2026. We will then seek written submissions on the Draft Report. Following consideration of all submissions, we will publish our Final Report in May 2026.
- Customers and stakeholders who would like to be notified when relevant material is released can subscribe to receive updates from IPART.

Figure 1 CCC Water price review timeline

How we will assess this pricing proposal

We will review CCC Water's pricing proposal to determine whether it promotes value for money and delivers the outcomes customers need and want. We do this by thoroughly examining the costs and carefully considering the impacts of CCC Water's pricing proposal on a range of household budgets, service standards, the environment, and the economy more broadly.

Under the *Independent Pricing and Regulatory Tribunal Act 1992* (**IPART Act**) we must consider a range of matters (Figure 2 sets out some of these).

Figure 2 Matters for IPART to consider when setting water prices

We use a framework to help us consider these matters. Our framework, which is explained in our Water Regulation Handbook, focuses on customers, costs, and credibility. The principles established in the Handbook can be used by water businesses and IPART to develop and assess pricing proposals. Our framework expects water businesses to create pricing proposals that promote customer value. Please refer to the Water Regulation Handbook for a detailed explanation of the principles and approach we take.

We encourage water businesses to involve customers in the decision-making process when preparing pricing proposals. Involving customers to set outcomes that matter most to them, and align with their preferences, is essential if a water business is to identify better ways of delivering its services.

This is the first time CCC Water has submitted a pricing proposal since we published our Water Regulation Handbook.

CCC Water is a water utility under the *Local Government Act 1993*

CCC Water is the largest local water utility (LWU)[a], and the only one for which IPART sets the maximum prices it can charge its customers for water and wastewater services. It has different obligations and ways to fund these services, including through rates, fees and charges. CCC Water can charge less than the maximum prices set by IPART if it gains approval from the NSW Treasurer.

Unlike the statutory state-owned corporations that we set prices for (such as Sydney Water and Hunter Water), CCC Water does not have an operating licence that sets performance standards or compliance requirements. IPART cannot monitor or enforce CCC Water's performance, service standards or obligations to customers.

Under a separate review, 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.

This Issues Paper **only** relates to Central Coast Council functions as an LWU.

IPART no longer sets stormwater prices for CCC Water

Stormwater services collect rainfall runoff from households, businesses and public lands, and then transports, treats and disposes of it into rivers, lakes or the ocean. In previous determinations we set maximum prices for stormwater drainage services supplied by the Council. Due to recent changes in the law, IPART no longer determines maximum prices for the Council's stormwater drainage services which it will fund from alternative revenue sources from 1 July 2026.

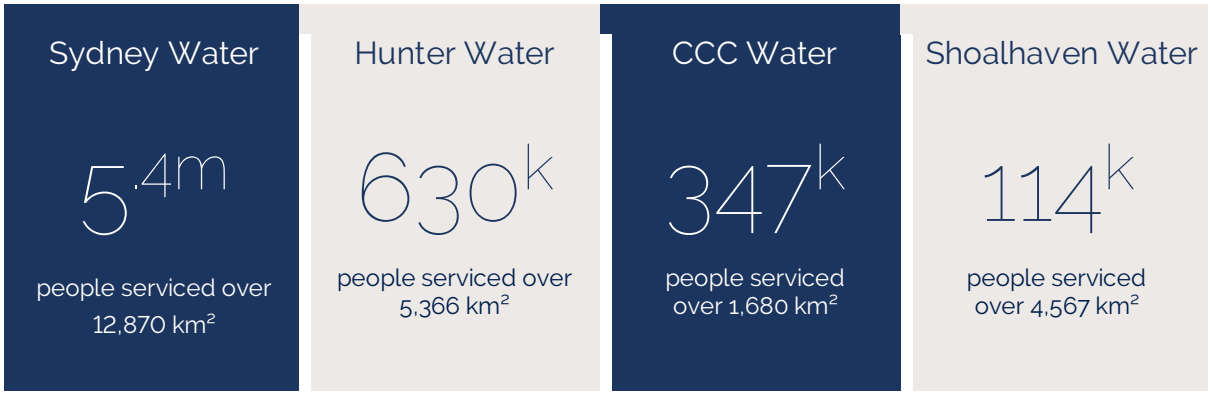
[a] Prior to June 2024 CCC Water was both a water supply authority under the Water Management Act 2000 and a local water utility under the Local Government Act 1993. The Water Management Amendment (Central Coast) Act 2024 removed Central Coast Council as a water supply authority. The IPART Act was also amended so that IPART has a standing reference to set prices for Central Coast Council Water, except for stormwater drainage.

CCC Water is the third largest water utility in NSW

CCC Water is the third largest retail water utility in NSW, after Sydney Water and Hunter Water, supplying 80-83 million litres of drinking water each day. CCC Water provides water and wastewater services to around 140,000 homes and businesses for a population of more than 347,000 people over the local government area of approximately 1,680 square kilometres.[3]

CCC Water is around 55% the size of Hunter Water, and 3 times larger than the next largest LWU in NSW, Shoalhaven Water (Figure 3).[b] The network includes approximately 2,264 kilometres of water mains and 2,686 sewer mains.[4] The system has 71 reservoirs, 3 dams, 8 wastewater treatment plants and 3 water treatment plants (Figure 4).[5]

Figure 3 Size comparison of CCC Water



Source: Sydney Water, 2024 Pricing Proposal to IPART, September 2024, p 7: Hunter Water, 2024 Pricing Proposal customer summary, September 2024 p 6: Hunter Water, Pricing Proposal Technical Paper 10 Our role, operations and operating context, 2019 p 3: Central Coast Council, Water and Sewer IPART Pricing Submission 2026-2031, September 2025, p 4: Shoalhaven Water, Our water supply, accessed 4 September 2025: NSW Government, Shoalhaven City Council, accessed 4 September 2025.

The 4 basic business products of CCC Water's water and wastewater functions are:

- Harvesting raw water - catchment, storage, treatment
- Providing drinking water - treating water delivered to customers
- Collecting wastewater - transport, treatment, and discharge
- Recycling treated water – advanced wastewater treatment and reuse.[6]

[b] There are around 90 council-owned and operated LWUs in NSW, with all except Hawkesbury Council in regional and rural NSW. Estimate based on population served. In terms of water supplied, CCC Water is approximately 46% the size of Hunter Water. In 2023-24 Hunter Water sales of water was 60.3ML (Hunter Water 2024 Pricing Proposal, September 2024 p 206) and for CCC Water it was 28ML (Central Coast Council, Technical Paper 7 Demand for Services, p 17).

Figure 4 CCC Water services the whole Central Coast Local Government Area

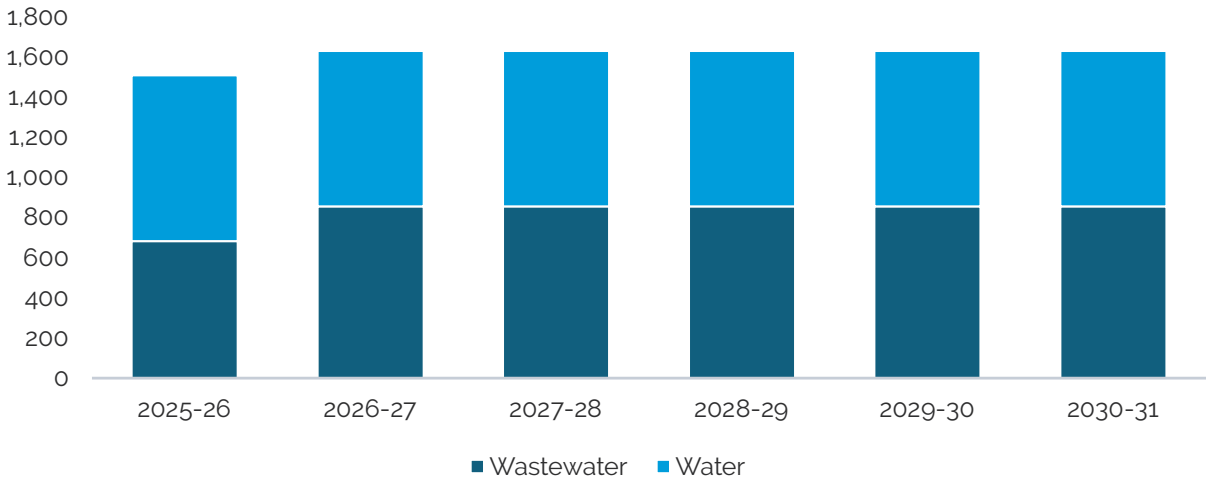
Source: Central Coast Council, Water and Sewer IPART Pricing Submission 2026-2031, September 2025 p 5.

CCC Water is proposing bills increase by 8.0% next year and then increase with inflation

In the 2022 price review, CCC Water sought a 37% increase in prices from the first year.[7] Our determination price path increased typical bills by 17% in 2022-23, then 6%, 8% and 1% in the following years, plus inflation.[8]

For this pricing review, CCC Water proposed prices that would increase typical household bills by 8.0% in the first year (excluding inflation), followed by annual increases in line with inflation in each of the next 4 years to 2030-31.[c] This is a proposed increase for a typical household of approximately $120 from $1,509 per year in 2025-26 to $1,629 per year in 2026–27, excluding inflation (see Figure 5).[9,d]

Figure 5 CCC Water proposed typical household bill each year to 2030-31 ($2025-26)



Note: Typical household bills are based on a customer living in a house and using 180 kilolitres of water per year. Bills are shown in $2025-26. Annual bills from 2026-27 will be adjusted in line with inflation.
Source: CCC Water information return dated 29 September 2025.

Non-residential customer bills are also proposed to increase. The magnitude of the increase will depend on the customer's individual circumstances, such as meter size and water usage.

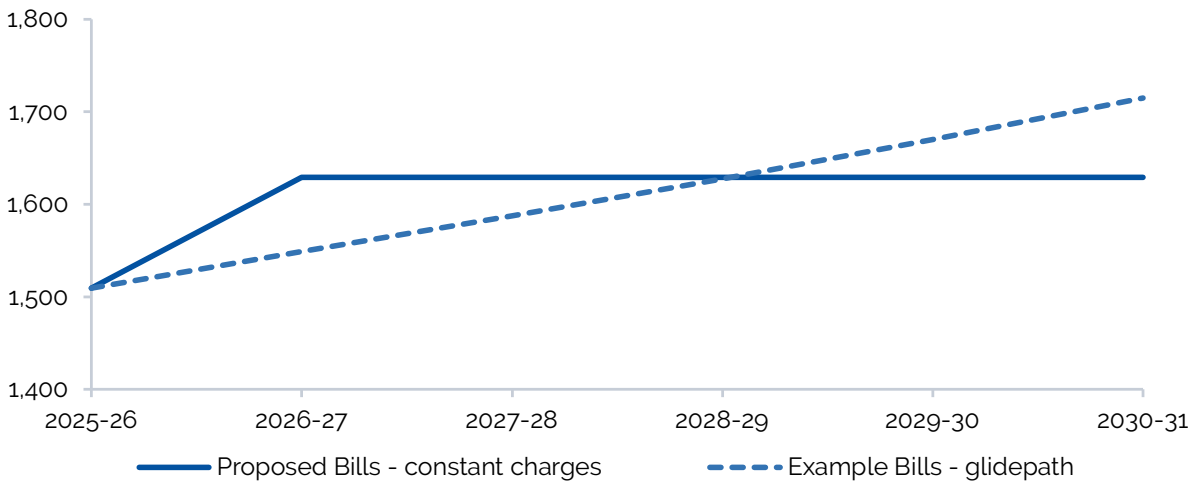
[c] A typical household is estimated to consume 180 kilolitres (kL) of water each year.
[d] The increase is 11.1% (or $168) to $1,677 if inflation of 2.9% is included.

CCC Water proposes a step increase in bills rather than a gradual increase over the next 5 years

CCC Water proposes increases in costs and bills. It proposes to increase bills by 8% in year 1 (not including inflation) and then increase only with inflation in the following 4 years. Another way it might have chosen to recover its proposed costs over the full 5-year period would be to have a gradual increase in bills each year.

This would result in lower bills in 2026-27 and 2027-28, but higher in 2029-30 and 2030-31 than what CCC Water is proposing. An example of how this could look, for instance if IPART were to set prices that increase incrementally rather than in a single step as proposed by CCC Water, is shown in Figure 6 below.[e]

Figure 6 Example of the difference between prices applying a constant change each year and CCC Water's proposed bill path ($2025-26)



Note: Typical household bills are based on a customer living in a house and using 180 kilolitres of water per year. Bills are shown in $2025-26. Annual bills from 2026-27 will be adjusted in line with inflation.
Source: CCC Water information return dated 29 September 2025 and IPART calculations.

Seek Comment

1. Which price path would you prefer? Do you prefer one step increase followed by increases with inflation only in the following years? Or do you prefer gradual price increases for each year over the next 5 years? Or is there another price path option that you would like IPART to consider?

[e] We note that this is illustrative and based on raising the same overall revenue over the 5-years to 2030-31 in net present value terms. If our decision on CCC Water's efficient costs is different than proposed, this would also change the overall revenue required to meet efficient costs.

CCC Water proposes changes in both service charges and usage charges

A water and wastewater bill typically has 2 types of charges which reflect the prices we set:

- **Usage charge**. This is a variable charge – how much you pay for this charge depends on how much water you use over the billing period.
- **Service charge**. This is a fixed charge – you pay a set amount for the services you receive over the billing period.

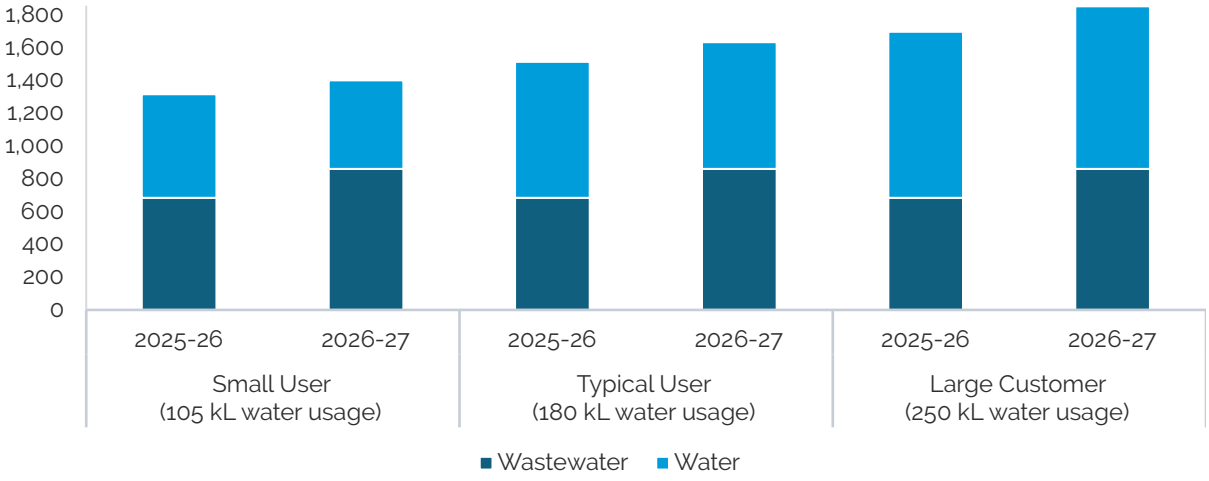
CCC Water proposes changes in both the service and usage charges for water and wastewater:

- water service charges are proposed to reduce by 39.1%
- water usage charges are proposed to increase by 17.8%
- wastewater service charges for all customers are proposed to increase by 36.6%
- wastewater usage charges are proposed to reduce by 17.9%.[10]

The net effect of these changes are increases in total household bills across all customer groups (see Figure 7).

We have heard from some stakeholders in the past that they prefer a higher usage charge and a relatively lower service charge, as it means they are more able to manage their bills by adjusting water usage.

Figure 7 Bill impacts of CCC Water's proposal for small, medium and large residential customers ($2025-26)



a. Household bills are based on a customer living in a house. Bills are shown in $2025-26 (ie excluding inflation).
b. All residential houses are assumed to use 125 kL of wastewater.
Source: CCC Water information return dated 29 September 2025.

Seek Comment

2. Would you prefer a higher water usage charge relative to the service charge, or a higher service charge relative to the usage charge?

3. Would you reduce the amount of water you use to lower your water bill in response to CCC Water's proposed price increases? If so, by how much?

4. What adjustments would you make to your home to reduce your water consumption? For example, would you install water saving devices or switch to lower water use appliances?

Affordability is a major customer concern

Affordability was identified in CCC Water customer engagement interactions as a major customer concern. IPART aims to set prices customers can afford but still enable CCC Water to provide safe, reliable drinking water. This includes being able to do necessary maintenance work and building new infrastructure to meet water and wastewater service needs.

We are interested in hearing from you about what we should consider when we look at bill affordability. We will consider affordability while aiming to set bills that enable CCC Water to earn sufficient funds to maintain and build required infrastructure and deliver the desired level of water services.

In our recent water pricing reviews, we made several recommendations to the NSW Government to improve the effectiveness of water rebates, including to consider aligning goals, objectives and outcomes of rebates across NSW. The NSW Department of Climate Change, Energy, the Environment and Water is currently leading this review of rebates on behalf of the NSW Government. We might make recommendations on rebates in this review based on our affordability analysis for different customer groups.[11]

Seek Comment

5. What factors should IPART take into account when considering customer affordability?

6. How would the CCC Water's proposed bill increase impact you and your household budget?

7. Are the rebates and financial assistance schemes currently offered by CCC Water sufficient and targeting appropriate customer groups?

CCC Water informs it incorporated customer feedback into its pricing proposal

In 2022, IPART recommended that CCC Water should develop internal systems and processes to improve its accountability to the community.[12] CCC Water advises it has adopted a Customer Experience Strategy and Community Engagement Approach with the aim to build trusted relationships, create opportunities for participation and ensure the community voice informs priorities and outcomes.[13]

CCC Water informs customer engagement was completed over 4 phases to establish core community values and expectations, inform its pricing proposal, align service delivery with customer priorities, and build trust and transparency through inclusive consultation.[14] IPART has been advised that CCC Water's strategy included a variety of consultation formats ranging from digital engagement to in-person discussions to promote broad accessibility and participation.[15]

CCC Water also advises it has established a Water and Sewer Customer Charter and a water customer group, the 'People's Panel' representative of Central Coast's diversity, to help in developing and testing community values, future service options and the co-design of engagement forums.[16]

CCC Water identified community values to inform its priorities for 2026-2031

CCC Water informs it undertook customer and community engagement activities to identify customer values, service levels and performance reporting preferences and what customers are willing to pay to improve performance.[17]

CCC Water's proposal suggests it engaged with a range of customers to develop outcomes for each of the 6 values for water and wastewater and to create strategies to achieve these outcomes.

Table 1 Outcomes identified for each value for water and wastewater services

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

Source: CCC Water, 2025 Pricing Proposal, Technical Paper 11, Accountability, Customer Influence and Self-Assessment, September 2025, p 19.

Seek Comment

8. What do you think about CCC Water's engagement process? Do you think CCC Water has engaged effectively with customers and stakeholders?

9. To what extent do you think CCC Water's proposal represents customer values and priorities?

CCC Water has committed to a new reporting framework

Our 2022 determination recommended that CCC Water pursue a multi-level approach to improve performance and accountability. We recommended that CCC Water should be:

- publishing available metrics going back 5 years, as well as strategic planning documents and contextual information for transparency and keeping the community informed
- engaging with its customers to understand their preferences for service levels and performance reporting, and developing outcomes-based reporting
- reporting yearly on its performance through a clear, publicly available report on its website.[18]

In response to recommendations made in our 2022 pricing review a number of metrics are now published online in the Water and Sewer Performance Reports and Delivery Plan updates including progress, quarterly and annual performance reports.

The CCC Water pricing proposal states that community engagement forums with both the North and South regions of the Central Coast assisted in the development of current and future performance targets for the new determination period.[19]

The performance measures CCC Water proposes to deliver and report on over the 2026 determination period include:

- number of water quality complaints per 1,000 properties
- number of unplanned water interruptions per 1,000 properties
- average duration of unplanned water interruptions
- number of water main breaks per 100 km main
- number of sewer main breaks and chokes per 100 km
- number of wastewater overflows per 100 km main
- number of wastewater overflows reported to Environmental Protection Authority per 100 km main.[20]

Seek Comment

10. Do you think the quality of CCC Water's water and wastewater services have changed over the last 4 years?
11. What do you think about the outcomes and performance measures CCC Water is aiming to deliver and report on to its customers?
12. Are there other performance measures that you would like to see reported by CCC Water?

CCC Water's proposed higher prices

CCC Water's proposal indicates that the proposed bill increases are the result of higher:

- capital expenditure, particularly spending on wastewater treatment plant infrastructure to improve reliability and compliance[21]
- operating costs of approximately 11% over the annual operating expenditure allowance in the 2022 determination (Figure 8).[f]

Figure 8 CCC Water costs are driving proposed bill increases

IPART's 2022 review found that CCC Water needed to substantially increase spending to maintain infrastructure. Our 2022 determination meant typical household bills for water, wastewater and stormwater services increased on average by an equivalent of 28% over 4 years.[22]

We will make decisions about efficient costs and the prices that an efficient business would need to charge to provide the services provided by CCC Water. Efficient costs are not necessarily those that CCC Water will incur or forecasts it will incur, but what an efficient business would incur to efficiently deliver water and wastewater services. Our decisions on efficient costs will influence bill amounts over the determination.

[f] IPART calculations. Averaged over the number of years in the 2022 determination and the number of years forecast in the 2026 determination.

CCC Water's capital investment exceeded the IPART envelope for capital expenditure in the 2022 determination

IPART's decision on the prudent and efficient level of capital expenditure is included in a business's regulatory asset base to be recovered through future prices.

Over the 2022 determination period, CCC Water's actual capital expenditure for water and wastewater was $405 million[g], or 33% higher than the forecast capital expenditure of $305 million (in $2025-26) IPART used to set CCC Water's prices in 2022.[23] CCC Water's pricing proposal indicates that the increased capital expenditure was driven by critical wastewater asset renewals (58.6%), growth (38.3%) and compliance (3.1%), rather than an increase in the scope or size of planned capital works.[24]

CCC Water's actual expenditure exceeded the IPART decisions in every year of the 2022 determination period (Figure 9).

CCC Water states increases in expenditure over the 2022 determination period across the water business of $19.6 million[25] arise from higher costs:

- for the Mardi Water Treatment Plant (MWTP) from $45.8 million (2021 planning) to $82.5 million (2023 implementation).[26] The MWTP upgrade is required to allow drinking water meets Australian Drinking Water Guidelines.
- across the water program works from activities including water main renewals aimed at reducing the number of breaks and unplanned outages resulting from aging infrastructure. Higher costs resulted from "market volatility, resource constraints and supply chain uncertainties".[27]

In its proposal, CCC Water explains that most of the higher capital expenditure over the 2022 determination period is related to wastewater infrastructure ($80.4 million)[28] including:

- higher construction costs in the gravity sewer mains renewal program ($15.0 million) aimed at reducing breaks, overflows and chokes[29]
- the West Gosford Rising Main which was not forecast in the 2022 determination. A total cost of $33.87 million (split between the 2022 $20.5 million and 2026 determination $13.4 million) is required for major renewal to meet EPA requirements following prosecution[30] in the land environment court[31]
- higher costs for other wastewater asset renewals (including sewer mains and pump station) of $41.5 million.[32]

IPART will assess the reasonableness of capital expenditure over the 2022 determination period.

[g] CCC Water secured grant funding for water services of $16.8 million and $44.1 million for wastewater services over the 2022 determination period, which offset some of the increase in costs. Central Coast Council, Technical Paper 4, Capital Expenditure, September 2025, pp 10 and 25.

CCC Water proposes to increase capital expenditure on infrastructure

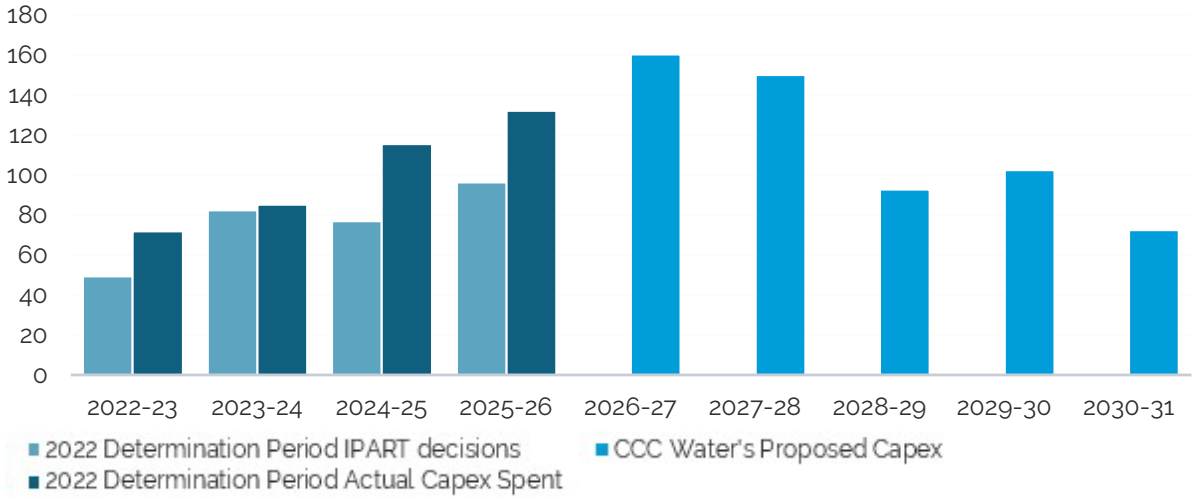
CCC Water proposes to increase capital expenditure per year by around 52% compared to what we used to set prices in 2022 - from around $76 million per year to a proposed average of $116 million per year (Figure 7).[33] This totals to $578 million forecast capital expenditure over the next 5 years, 80% of which will be directed to wastewater. The pricing proposal includes approximately $324.7 million over the 5 years for capital investment to service growth, with the remainder of the capital expenditure being applied to compliance and renewals.[34]

CCC Water proposes capital expenditure on water infrastructure of $112.9 million over the 2026 determination, mostly to fund asset renewals.[35]

The proposed capital expenditure of $464.9 million[36] for wastewater during the 2026 determination is mainly for improvements to treatment plants – Charmhaven and Gwandalan (renewals and some growth in capacity)[37], Bateau Bay (renewal to meet capacity and compliance obligations)[38], and Toukley (renewal)[39]. CCC Water proposal indicates that some of these investments are designed to improve treatment plant reliability and environmental compliance.

As an example, CCC Water's pricing proposal reports that Charmhaven Sewage Treatment Plant's operational capacity is below the current estimated serviced population, resulting in breaches of an Environmental Protection License.[40] Upgrades are required to meet current connected capacity and estimated growth. This work over the 2026 determination is currently estimated at $89 million.[41]

Figure 9 CCC Water actual and forecast capital expenditure compared to 2022 determination IPART decisions ($million, $2025-26)



Note: The 2022 determination period actual capex spent for 2025-26 is based on forecast figures.
Source: CCC Water information return dated 29 September 2025 and IPART calculations

In its pricing proposal, CCC Water states investment in wastewater treatment plants is necessary to update aging assets, improve environmental compliance and resolve wastewater performance issues such as odours.[42] IPART estimates that upgrades to wastewater treatment plants will cost approximately $233 million over the next 5 years, which adds around $53 to the typical bill.

Seek Comment

13. What are your views on CCC Water's proposed capital works program?

CCC Water's Security Plan involves investments in climate-independent infrastructure to support a growing population

Climate change was identified as a concern in CCC Water's customer engagement and will pose challenges to maintaining a secure water supply in the future. CCC Water has developed the Central Coast Water Security Plan to encourage reliable and sustainable water supply for future populations. This is based on 3 pillars: to conserve and use water efficiently, maximise existing water supplies to delay the requirement of new water supplies, and develop new rainfall independent supplies for an adaptive future.[43]

CCC Water is currently developing the Central Coast Water and Sewer Master Plan (CCWSMP) which will outline a preferred 30-year investment pathway for network and treatment assets based on more recent population and dwelling forecasts.[44]

Over the 2026-2031 determination, CCC Water proposes to spend $124.1 million ($2025-26) on water and wastewater projects supporting growth and development, and an additional $2.1 million ($2025-26) on water security and resilience projects.[45]

Spending on larger climate-independent projects is not likely to be implemented until a forthcoming determination period (such as a new desalination plant at the existing Toukley Wastewater Treatment Plant with an estimated build cost of $206 to $230 million).[46]

Seek Comment

14. What are your thoughts on the CCC Water's response to water security over the 5 years of this determination?

CCC Water's proposed operating costs are approximately 11% per year higher compared to the 2022 determination

Operating costs are day-to-day business costs such as paying for staff, rent, transport and energy, and the cost of systems, planning and technology. Actual operating expenditure over the 2022 determination period is expected to be close to the overall IPART determination amount for operating expenses. CCC Water considers that historic operating costs have on average, based on benchmarking undertaken by CCC Water using the Bureau of Meteorology's 2023-24 National Performance Report, been efficient.

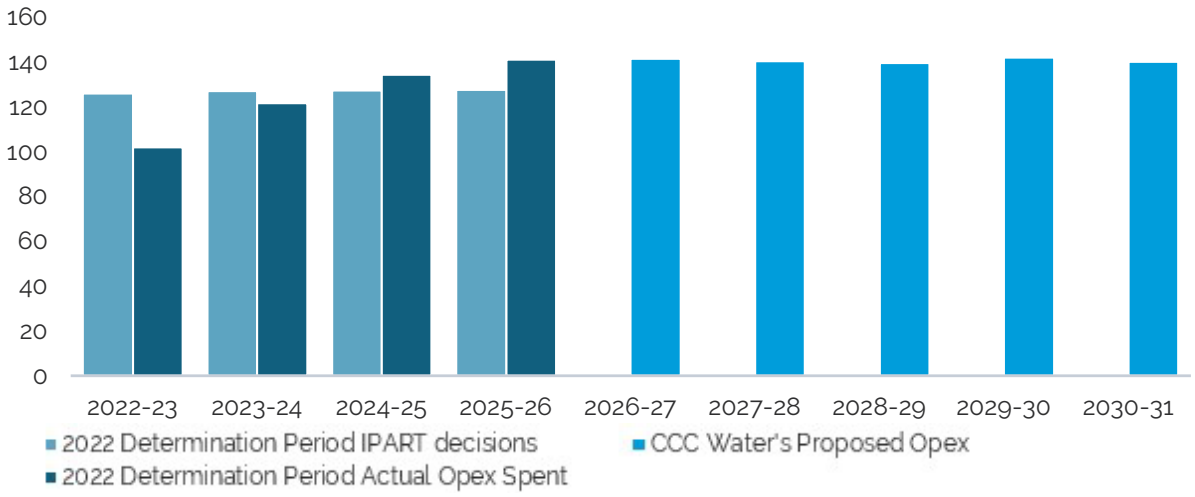
CCC Water is proposing a 11% increase in operating costs over the costs built into the 2022 IPART determination.[h] (Figure 9) Operating costs are predicted to increase as a result of:

- increasing costs of meeting regulatory obligations
- investment in water security
- investment in new tracking technology
- increased cost of biosolid management
- cost of effective planning and strategies.[47]

[h] Averaged over the number of years in the 2022 determination and the number of years forecast in the 2026 determination.

We will investigate the operating costs proposed by CCC Water to test they are reasonable and no higher than they need be. This will include assessing the current level of efficient base line expenditure, the predictable trend, or changes in operating expenses related to factors such as growth and price changes, and the impact of non-recurrent or 'step changes'.

Figure 10 CCC Water actual and forecast operating expenditure compared to 2022 determination IPART decisions ($million, $2025-26)



Note: The 2022 determination period actual operating expenditure for 2025-26 is based on forecast figures.
Source: CCC Water information return dated 2 July 2025 and IPART calculations

CCC Water is proposing to absorb costs to limit increases in bills

CCC Water intends to fund some of its additional operating expenditure through drawing on $75.9 million of its water business cash reserves to reduce prices.[48] CCC Water has accrued reserves from the water and wastewater business over time.

This will reduce operating costs by $75.9 million thereby lowering the amount that customers will have to pay. Our understanding is that the $75.9 million in funds will be used gradually over the 5 years of the 2026 determination.

Seek Comment

15. Do you support CCC Water's decision to lower water bills by directly drawing on funds in the water business?

We have made a preliminary grading for CCC Water's pricing proposal

A part of our water price review involves grading CCC Water's pricing proposal and its intention to deliver the outcomes valued by its customers. This is not an assessment of the water business itself.

A water business will self-assess its pricing proposal as either 'Standard', 'Advanced' or 'Leading', reflecting the value being delivered to customers (refer to the Water Regulation Handbook). We will then determine whether the pricing proposal promotes the long-term interest of customers at a 'Standard', 'Advanced', or 'Leading' level.

Our preliminary decision is to grade CCC Water's pricing proposal as Standard

CCC Water has self-assessed its pricing proposal as Standard. Our preliminary decision is to grade CCC Water's pricing proposal as Standard.

This grading reflects the approach IPART will take to the price review. The level of scrutiny we will take will be similar to the standard process we use in other price reviews which includes an expenditure review.

We will review CCC Water's proposed expenditure

We will undertake a review of CCC Water's proposed expenditure, and whether the costs or expenditure proposed is what an efficient business requires to deliver its services. We have also engaged independent experts to assist and provide advice to us in that review. We will focus that review on where there is greatest materiality, risk and uncertainty. This includes reviewing:

- operating costs are efficient, including corporate overheads
- key asset planning and business systems
- the scale, timing and estimated costs of major infrastructure projects
- how much day-to-day risk CCC Water is taking on in delivering services.[i]

The expenditure review will assess whether CCC Water's proposed costs are what an efficient business requires, sufficiently justified, and supported by customers and where costs should be lower in delivering services to customers. We will take the independent experts' findings into account when setting prices.

1 This price review will also consider other government monopoly services referred to in the Government Monopoly Services Declaration, such as trade waste services, ancillary and miscellaneous charges. This does not include stormwater services.
2 Department of Planning and Environment, Regulatory and assurance framework for local water utilities, July 2022, p 7.
3 Central Coast Council, Water and Sewer IPART Pricing Submission 2026-2031, September 2025, p 4.
4 Central Coast Council, Water and Sewer IPART Pricing Submission 2026-2031, September 2025, p 4.
5 Central Coast Council, Technical Paper 10, Our role, operations and operating concept, September 2025, p 11, 13.
6 Central Coast Council, Technical Paper 10, Our role, operations and operating concept, September 2025, p 6.
7 IPART, Review of Central Coast Council water prices – Summary, Final Report, May 2022, p 2.
8 IPART, Review of Central Coast Council water prices – Summary, Final Report, May 2022, p 20.
9 Central Coast Council, Technical Paper 8, Pricing of water and sewerage, September 2025, p 10.

i A lower level of overall risk generally means costs are higher, and vice versa.

[10] Central Coast Council, Technical Paper 8, Pricing of water and sewerage, September 2025, p 5.
[11] IPART, Final Report - Sydney Water prices 2025-2030, September 2025 pp 145-147, IPART, Final Report – Hunter Water prices 2025-2030, June 2025, p 100.
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