

IPART's decision to award Central Coast Council a 34% increase in water prices (plus inflation) is gut wrenching for our community and will cause hardship.

34% is exactly what the Council asked for, so it is difficult to understand public statements from the IPART Chair that CCC has been given less than it wanted.  $19\% + 4\% + 4\% + 4\% = 33.8\%$  after compounding.

IPART is supposed to protect customers from monopoly pricing, but once again it has given more weight to Council interests and succumbed to relentless lobbying.

IPART's generosity with ratepayers' money is unlikely to lead to a significant improvement in services. Certainly, nowhere near a 34% improvement in services.

The bulk of the extra money will be swallowed up by an inefficient bureaucracy that now has even less incentive to improve its poor performance and productivity.

In fact, this Council will never reform itself and never become more efficient if it is constantly being bailed out by ratepayers. A savvy pricing regulator would understand that, rather than throwing other people's money at a failing monopoly.

Requirements for additional performance reporting will not resolve the problem. If managed by CCC it will lack independence and rigour. If managed by IPART (which can't even measure productivity despite this being an SV criterion), CCC will hire consultants familiar with IPART's processes to tick the boxes.

Either way, ratepayers will pay for the extra bureaucracy and improvements will exist only in glossy reports.

I have reviewed IPART's draft report, but like most in our community, I see no point wasting any more time highlighting the many flaws within it. It is obvious my feedback will again be ignored.

Indeed, the remarkable coincidence between what Council asked for (34%) and what IPART's number crunchers scientifically came up with (33.4%) creates the appearance of a political decision. The optics aren't improved by the fact that both IPART and CCC's Administrator are appointed by State Government.

The final decision was even pre-empted by a Council consultant, KBR, in a report issued (first draft) back in December. The KBR report confidently stated: *"Early indications from IPART are that higher prices will be approved."* Other public comments from Administrator [REDACTED] demonstrate similar confidence with respect to the SV application.

These nods and winks appear to have been provided at the same time IPART officials and the Chair herself were assuring the community that meetings between IPART and CCC were confined to mere technical details such as how to complete IPART spreadsheets.

It is now clear that the whole process has been stacked against ratepayers from day one.

CCC has spent millions (ironically ratepayers' money) lobbying for rate hikes, even commissioning expensive consultants to work on its submissions. In contrast, the community has spent its own time and resources - naively engaging with IPART in good faith.

CCC has been given opportunities for behind the scenes lobbying and relationship building – beyond mere "technical queries." We were refused any access outside the submissions process.

When CCC doesn't get everything it wants first time it simply reapplies the following year - in effect an appeal - whereas the community has no right of appeal against IPART's decisions.

Indeed, a final straw for many in the community was the decision last year to grant an SV for three years. The community was given no right of appeal against that 3-year increase, whereas CCC has been allowed to appeal against it not being extended to years 4-10. CCC openly admits in its own submission that: *"this SV is a repeat of last year's application."* So, in effect it is an appeal.

Many in our community have therefore become disillusioned with IPART and unwilling to waste their time on further submissions they know will be ignored.

I heard the IPART Chair claiming on the radio that the decision to phase the increase was evidence that IPART has listened to the community, citing a survey in which 89% supported phasing. Phasing of 19/4/4/4 is, however, tokenistic compared with a more normal phasing of 8/8/7/7. It looks cynical – designed to create an appearance of listening to those being shafted.

And of course, the IPART Chair made no mention of the 84% in the same survey who opposed any increase at all, or the fact that less than 20% said they could afford it. A case of cherry picking the survey results to avoid the appearance of totally ignoring the community's feedback.

Several in the community have told me they think CCC and IPART are laughing at us. Possibly the former is also laughing at the latter. Both should keep in mind that organisations (and those that run them) who fail their stakeholders eventually face a day of reckoning.