



Central Coast Council Water price
review

Public Hearing Transcript – Session A

Tuesday, 5 April 2022

Water >>

Tribunal Members

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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	Session A: Key outcomes of the Draft Report	1
1.1	Introduction	1
1.2	Welcome and Acknowledgement of Country	2
1.3	IPART presentation	6
1.4	Stakeholder presentations	9
1.5	Q&A discussion	12

1 Session A: Key outcomes of the Draft Report

1.1 Introduction

Ms Livingstone: And welcome you to our public hearing and it's great to have so many representatives from the community as well as from Central Coast Water join us today. As Carmel mentioned I'm Liz Livingstone, I'm the CEO of the Independent Pricing and Regulatory Tribunal (IPART) and I'm going to be managing the public hearing today.

So, I'll start with a few housekeeping notes to help it all run smoothly for each of us. I'd ask that you'd keep your microphone muted if possible when you're not speaking to avoid feedback and background noise. If you can keep your camera on that would be great it's much easier to connect online if we can see your face, but if your internet connection's not up to that, that's fine as well.

It would also be really helpful if your name and if relevant, if you're representing an organisation is showing against your name on your Zoom account, instructions for doing that are provided in the chat box, if you're not sure how to do that today.

We've got live captioning turned on for this session because we know some of our participants have difficulty hearing, unfortunately we were unable to get an AUSLAN interpreter in time for today's session, however you can access the live captioning by clicking on live transcript on the toolbar at the bottom of your screen. We may also ask you to repeat something if it is unclear to help those who might not have heard.

We are also recording the discussion today, it's being recorded to YouTube, it won't be made publicly available until after the event and we'll publish it alongside a transcript with a link on our website in a few days' time.

Because this is a public hearing the media and anybody else present today is free to publish and refer to what is said during the event. We do want to remind everyone that we have a responsibility to ensure a respectful environment today, so that everybody can feel safe to share their views, that the different views get heard and we are able to better understand the issues that are of concern to you.

If you have joined us by telephone and want to join in the discussion, I'll invite that at some points to take yourself on off mute if you're calling in by phone you just need to press star 6 and we'll give you opportunity to do that during the question and answer time that we'll have later on this morning.

In a moment, I'm going to hand back to IPART's Chair Carmel Donnelly, and she'll commence with a welcome and a bit of an update on where we're up to with our review, but before that I just want to give you a brief overview of the agenda we've got today.

We're going to have 2 sessions. The first Session A is a general discussion of the key outcomes of our Draft Report. We'll give a short presentation on the draft prices and how we set them, what the impacts on customers would be, as well as the outcomes of our close review of the efficient costs for Central Coast Water over the 2022 price determination period.

We are also going to hear from a couple of representatives of some stakeholder groups, then we will open to a Q&A session, to give everyone the opportunity to have their say and to ask questions of IPART and of Central Coast Water. That's the opportunity that you'll have to provide comments or feedback on our draft report, our draft decisions and our draft recommendations, and we encourage everyone to share their views.

To manage that we'll ask you to indicate whether you want to speak by letting us know in the chat box, so just type your question or just indicate that you'd like to speak there, and then I'll come to you during that question and answer session.

We'll then have a 10-minute break and begin Session B, and that session has a different focus on improving Central Coast Water's performance and accountability, as that's something that's been raised in feedback with us. In that session we're going to run a workshop to hear from you about specific areas of performance you want Central Coast Water to report on and how you want to receive that information, so it's meaningful for you.

It will be quite an interactive session. We want to give you the opportunity to contribute to developing performance indicators and measures for Central Coast Water, that's so you can better understand Central Coast Water's performance and hold it to account for its performance going forward. We'll explain more about how that session will run at the beginning of Session B after we have our break.

So as we work through Session A, just a reminder use the chat box if you'd like to speak, we'll be running through the presentations first, and then going to the Q&A session, but you can type your questions ahead of time if you'd like to, but I will hand over to IPART's Chair now Carmel Donnelly, who'll provide some further opening remarks and introduce Session A with a brief overview of the review and an update on where we're up to, thank you Carmel.

1.2 Welcome and Acknowledgement of Country

Ms Donnelly: Thank you Liz. Yes, so hello everybody my name's Carmel Donnelly I'm the Chair of the Independent Pricing and Regulatory Tribunal known as IPART for short, and joined today by fellow Tribunal Members Deborah Cope and Sandra Gamble, as well as Liz who you've met who is our CEO and a number of the IPART Secretariat staff, who are also here to listen and answer questions today.

I'd like to start by acknowledging the traditional custodians of the land on which we're meeting knowing that we're all meeting from different locations, but that for people on the Central Coast it's the Darkinjung country, and we want to pay our respects to the traditional custodians and Elders, past, present and emerging, and to all our Aboriginal customers and stakeholders and colleagues.

I would like to also thank you very much for joining us today. It is a critical part of IPART's reviews, all of our reviews to have public hearings and for us to hear direct from the people of NSW, from customers of whatever government service we are undertaking a review of, and it is a very important opportunity for the Tribunal members in particular to hear directly from members of the public. We do thank you for making the time.

I would like to make a few opening remarks about this review that is in progress and I would probably start by just talking about a particular choice of wording that we've used and explaining that, and then I'll get into some of the really significant issues that have been considered and that we are interested in hearing from you on.

One thing to say about Central Coast Council is that it is unique in that it is both a Local Government Authority under NSW laws and a Water Supply Authority under other NSW laws and that means that it has a couple of different functions that must be paid for in different ways. And IPART has regulatory responsibilities in relation to Central Coast Council in both of those different capacities as a Local Government Authority and as a Water Supply Authority.

Now we thought that it would help make our communication clearer if when we're talking about Central Coast Council's responsibilities as a Water Supply Authority. We talk about it as 'CCC Water', Central Coast Council Water and then when we're talking about the local government functions, we do this talking about 'the council'.

Look it is wording that we're hoping will make it clear particularly as we are indeed currently reviewing both this review the prices that Central Coast's Water business can charge for water related services, and also a current special variation application from council for an increase to its rate peg and that's as a Local Government Authority.

So sorry for that long introduction around wording, but we did think it was very important for us to be clear in our reports and in recommendations to council, that we're clear about which of its responsibilities it should be considering.

Now the purpose of today's hearing is indeed to focus on Central Coast Council's water services, water related services, and from the outset let me say that we know that these are important services that people can't do without. People do need good drinking water, they need to have reliable sewerage services, it's a matter of health and safety, and we are very, very aware that these are important services to the community. In our review we are wanting to set the maximum prices based on what an efficient business would need.

Now where we are up to in the review. We released a Draft Report in March and with that is a suite of very detailed documents that are all publicly available, and they inform and show transparently what we've considered in making our draft decision. The purpose today is part of our consultation about the draft decision and let me be clear that it is draft, and it is for consultation.

The process so far in reviewing the pricing we received a very detailed submission from council in September. Last year we released an Issues Paper, sought feedback, submissions. We have considered everything in those submissions and also in the public hearing and we've also released an Information Paper on stormwater which we might talk about a little later because in the stormwater area, we were very concerned that there were the right the right function in Central Coast Council was administering stormwater and the people weren't paying for the same service twice. So, we did issue a special Information Paper and have a survey and seek information from that and we thank everyone for all of their feedback it has all been very valuable and considered.

Now I want to talk a little about the draft decisions, and acknowledge upfront that these are not easy decisions, because we heard a lot of feedback some of which requires us to essentially put prices up and others which made us very aware of their needing to be a very fair ask and the minimum prices needed.

And so, we've worked through how to balance that. I do want to stress that the process that we've used is the standard review process that we would use and do use when we review prices for other Water Authorities for instance Sydney Water, Hunter Water. So, they're the 2 Water Authorities on either side of the Central Coast, and we use exactly the same standard process with all of the documentation being made public and public consultation.

So, our goal obviously is that it's a fair ask, it's a fair price, takes into account the need for good safe reliable services, for clean drinking water, it needs to ensure that your Water Supply Authority that serves you is financially sustainable. But also, that it's no more than an efficient water business would need.

So, in setting those prices we independently scrutinised Central Coast Council's proposal. We did include engaging some further independent experts to advise us to ensure that it was very rigorous. We looked at their key systems, their processes, to see whether they're best practice. We looked at what an efficient business would need, using analysis from other water supply authorities and other information not just the proposal from Central Coast Council, and really pressure tested that.

We looked at Central Coast Council and the community's needs in terms of growth and in terms of demand etc for water and the reasonableness of the capital investment that was planned. We did very carefully consider bill impacts and we will have some questions about that that we do want to test with you about whether particularly our approach of phasing in the water price increases is helpful or not, and we looked at the long-term financial viability, knowing that people do want to be able to rely on the service but also against affordability.

We also considered whether or not there was a genuine need for investment to meet the safety and health standards of water and we did do that. We engaged and heard from the community as I've said through a range of information papers and submissions and surveys. And it is important to know that the staff of IPART Secretariat have interacted with Central Coast Council, with Central Coast Council's water business in order to scrutinise what they have put forward to us, in order to ask questions and seek further information as I'm sure we would all expect any strong regulator would do, do their due diligence and test the information that's provided.

The Tribunal decision makers, there are 3 independent members of the Tribunal and we receive advice from the Secretariat, but we asked Secretariat to check a number of things and so where there's been interaction with Central Coast Council it is of that nature.

Now I do want to be very clear that we have heard the affordability concerns of the community absolutely. We acknowledge that in this draft decision the price increases that we are proposing are significant and I do want to just talk a little bit about some of the reasons for those price increases, and then I will hand over to the team for a bit more of a presentation on that.

We do look at what is the minimum required for the services to meet the community's needs and last time we reviewed Central Coast Council's water business prices in 2019, IPART decided that the work had not gone in to adequately justify the prices that were requested from Central Coast Council Water and that we could see that they had in fact been charging prices and collecting revenue up to our allowed amount, allowed maximum, but that it was not all being spent on operational expenditure or capital expenditure investment for water. And for that reason, we set the prices at a lower level. So, you know I think there's an example there that's the minimum required based on good justification for an efficient business.

This time we have heard a lot more about water quality and service quality, and we continue to in the current consultation. We had 37% of people who responded to a survey, told us that they weren't happy with the standard. And we also looked at performance information that was available and there was information available this time to indicate that there were declines in service standard. And so that is why our draft decision is for an increase and that is certainly acknowledging, and taking very seriously the concerns about affordability, and also taking into account the concerns for people who felt that they're not getting adequate safe water.

And our decision is looking at the future and to enable some of the investment that we're including in these increased prices, needing to go into improving service quality. We have not accepted the full increase that Central Coast Council Water has proposed. We have absolutely tested that and set it at a level that our draft decision would be reflecting what a minimum is needed for an efficient business to improve its services.

We also heard from some in the community that there's a lack of confidence given all that has gone on with Central Coast Council. A lack of confidence that increased prices would be spent where they need to be spent. And for that reason, we also have come to the conclusion that it is crucial that Central Coast Council's Water business be held to account. And we have identified, and we recommend action to help the community hold the water business to account.

One of those actions is for us to hear in our second part of the hearing today about what matters to you, what issues there are that we could recommend and insist that Central Coast Council collect information and make public.

Further to that, we will be recommending that the Minister give us the power in 2 years' time to come back and investigate and report publicly on the performance of Central Coast Council's Water business and their progress in implementing the improvements that we expect to recommend. So, they are both aimed at assisting the community to ensure that price increases, in fact all the money that is collected in water related prices is spent where it should be spent.

Now today's purpose is to hear from you. We do want to hear your feedback. We will be considering all of it. This is a draft decision that we're consulting on and it is a genuine process of consultation. It's also an opportunity for you to ask us questions and we will answer, for us to ask questions particularly the Tribunal members directly of members of the community. It's an opportunity for you to influence our final decision and it's also very important for you to know that we are here to lay out our decision as it stands as a draft and to answer your questions and to listen. So, following this we will also be of course, we're still open for, with our call for submissions till the 14th of April and there's also a survey.

So, I do again thank you very much for making the time. It is an important part of our consultation for the Tribunal members, to be able to speak directly and transparently with members of the community. So, thank you very much and I look forward to a constructive and respectful decision. I know that there will be some challenges for us. This is a challenging issue. I do ask you to be forthright and you know take the opportunity to really let us know what the issues are from your perspective so thank you very much. And with that I will hand over to Carol Lin, who will take you through a bit more of the detail and then we'll be going to questions and answers. So, thank you again for joining us.

1.3 IPART presentation

Ms Lin: Thank you Carmel. Today we will begin with an overview of the key outcomes from our draft report on Central Coast Water's prices and on which we are seeking feedback today. We will then hear from representatives of community groups, before moving on to the discussion and Q&A session.

Our draft decision is to set prices for Central Coast Water's proposed 4-year determination period from 1 July 2022 to 30 June 2026. We have found that Central Coast Water needs to spend more than its historic spending, so that it can meet its obligations and standards, maintain its infrastructure, and improve water services for its customers.

Under our draft decisions, total costs would be about 17% higher than the level we set in 2019. This means we have set the total cost at around \$194 million per year over the 2022 determination period. But we did find efficiencies, so our draft decision is about 7% less than what Central Coast Water proposed.

As a result of higher costs, prices and bills would also need to increase. Our draft prices are lower than Central Coast Water's proposal for a one-off increase of 35% in 2022-23. Central Coast Water's proposed increase is represented on this slide over the next 4 years by the dark teal columns and dotted line.

Our draft prices are lower than those proposed by Central Coast Water and increase more gradually as shown by the lighter blue columns and black dotted line on the slide. Our draft prices allow Central Coast Water to collect the same amount of money as if we had decided to allow a one-off increase of 25% in 2022-23, which is shown by the thick black line on the slide.

The community has told us that price increases may lead to affordability concerns and about 90% of responses to our Have Your Say survey told us that people prefer gradual price increases.

To address affordability concerns and consistent with what customers told us, we have decided to phase-in the price increase, rather than set a one-off increase. This allows customers to keep their money in their pockets for longer and provides customers with more time to manage the impact of higher prices. Under our phasing in of prices, prices would increase the most in 2022-23, with additional small increases each year after that. However, we would be open to revising our decision if people would prefer a one-off increase.

It's also worth noting here, that ahead of the next determination period, we will review Central Coast Water's cost and performance again and decide what level efficient costs and prices are needed beyond 2025-26. Prices from 2026-27 would be subject to review and won't necessarily continue at the 2025-26 level.

As a result of our approach to phasing in the price increase, typical household bills would increase on average by around \$200 or 19% from 1 July 2022, and then by about \$49 or 4% and inflation each year for the next 3 years. One of the questions in our current Have Your Say survey is about whether people still prefer a gradual price increase instead of a one-off increase now that our draft prices have been published. We're also keen to ask you about this a bit later today. We've also aligned wastewater prices across the former Gosford and Wyong local government areas, so that customers paid the same prices in both.

Throughout our consultation process, we have identified performance and accountability as a key issue for this review. To ensure Central Coast Water is accountable for its spending, the community needs better information.

In the short term, we plan to consult with you to understand the specific areas of performance you want Central Coast Water to report on. We would expect that Central Coast Water would report on its performance in these areas to you each year.

In the longer term, we think more could be done to ensure Central Coast Water is accountable for its spending. For this reason, we intend to recommend the Minister refers to us to investigate and report on Central Coast Water's performance and progress in 2 years' time.

Our goal is to ensure you pay a fair price for safe, good quality and reliable services. Our role is to do this by setting maximum prices for Central Coast Water services based on what its efficient costs are. That is, the least cost necessary to ensure water services are secure, safe and reliable.

As mentioned earlier, based on our draft decisions on costs and prices, typical households would see their bills increasing by about \$200 or 19% in 2022-23, and then an additional \$49 or 4% plus inflation each year after that.

Businesses would see bills increase by approximately the same percentage as households, but dollar values would depend on the size of the business and the level of water usage. Overall, we consider the bill increases to be necessary.

IPART has carefully balanced customer concerns about price increases with the need to ensure Central Coast Water has enough funding to improve its delivery and network operations and maintain its assets. Our draft decisions recognise the genuine need to invest in quality water services on the Central Coast.

Customers have told us that the community is concerned about affordability. As previously discussed, to address this, we have set bills to increase gradually over the determination period, rather than all up front.

Central Coast Water also has hardship assistance and we intend to recommend it consider how it can better target its assistance program to help customers in need to manage their bills. We also intend to recommend that the NSW Government review its pensioner concessions.

Our draft decisions on costs drive the average price increases. To address affordability concerns we have decided to phase in price increases for water and wastewater over the 2022 determination period to give customers more time to manage the impact. This means that customers will have usage and service charges increasing by a higher percentage in year one, in 2022-23, with charges increasing by a smaller percentage each year after that.

For household customers, in addition to increases due to inflation: water usage and service charges would increase by 8% and 109% respectively in 2022-23, then by 0% and 18% respectively thereafter. Wastewater service charges would increase by 12% in 2022-23, then by 2% thereafter. And stormwater charges would increase by 17% in 2022-23, then remain the same. These prices would apply until 2025-26. Prices from 2026-27 will be subject to review and won't necessarily continue at the 2025-26 level.

This table shows the water and wastewater charges for each year of the determination for household customers. You can see the phased-in approach we have taken when setting prices for these services and how the price is for the former Gosford and Wyong local government areas have been aligned.

This slide shows the stormwater charges for each year of the determination period. Unlike the approach we have taken for water and wastewater, we have decided to set the full price increase required in the first year for stormwater.

We intend this pricing review will be the last time we set stormwater prices. We consider all costs for stormwater services should be fully funded by local government rates from 1 July 2026. In our view, these services provide benefits to the whole community - not just specific customers. Therefore, these services should be funded through local government rates like other services that benefit the whole community.

When setting efficient costs for Central Coast Water, we in particular looked at what level of income would be necessary for a reasonably efficient water business to deliver these services compared to what level of income Central Coast Water had proposed. In making our draft decisions, we considered advice from expert consultants Frontier Economics and Mott MacDonald. We engaged these consultants to review the level of efficient costs, that is, the least cost necessary to ensure water services are secure, safe and reliable.

For operating costs our draft decision is to set these at around \$119 million per year over the next 4 years. This is higher than the level of operating costs we set in the 2019 review by around 24%. We consider that Central Coast Water would need to spend more over the 2022 determination period to meet its regulatory obligations, service standards and deliver better services to its customers.

However, our draft decision on operating cost is lower than Central Coast Water proposed by around 9% this is because we expect Central Coast Water's proposed spending should improve its systems and processes to deliver cost savings over the determination period. In addition, we are not accepting Central Coast Waters proposal to transfer additional stormwater services currently funded through local government rates, to its Water Supply Authority.

For capital costs, our draft decision is to set these at around \$74 million per year over the next 4 years. This is the higher than the level of capital costs we set in the 2019 review by around 6%. This allows Central Coast Water to maintain and improve its water system to ensure a secure, safe and reliable water supply.

However, our draft decision on capital costs is lower than Central Coast Water proposed by around 5%. This is because we consider that Central Coast Water could explore alternative solutions and better prioritise its spending on improving water quality and wastewater treatment. This would ensure customers do not pay more than what is needed.

It is critical that our draft prices are accompanied by improvements to Central Coast Water's performance and accountability for that performance. We understand that Central Coast Water's performance in recent years has not met community's expectations because:

- Central Coast Water has not met some performance standards over the past 3 years
- based on advice we received from independent consultants we found that some of Central Coast Water's current systems and processes need improvement, and
- during consultation, some customers express concerns about poor drinking water quality and wastewater overflows.

Based on these findings, we expect Central Coast Water to substantially improve its performance and to be more accountable for its spending.

For the short-term, we intend to recommend Central Coast Water should regularly report on its performance and publish this information on its website to increase transparency for you and the community. We expect Central Coast Water to consult with its customers in the future to develop a set of performance measures that reflect customer preferences. To assist Central Coast Water, we will consult with you today during the workshop in Session B to understand your preferences and expectations on performance measures. We also intend to consider and include the findings from this consultation in our Final Report. We will also consider whether Central Coast Water should report on a set of interim measures while it develops its performance measures.

For the longer-term, we intend to recommend the Minister gives us a referral to investigate and report on Central Coast Water's performance and progress in 2 years' time. That brings us to the end of our presentation. Thank you again for joining us today. I will hand over to Liz now to introduce the first stakeholder presentation.

1.4 Stakeholder presentations

Ms Livingstone: Thanks very much Carol for taking us through that. We are going to have 2 short presentations now, from Jenny McCulla and then Lorraine Wilson. I've noticed there's lots of questions coming through on the chat, which is great and once we're through these presentations we'll start working through those. But I would like to invite Ms Jenny McCulla from the Davistown Progress Association, to give us her presentation. Thank you, Jenny, if you could take yourself off mute, we're in your hands for this presentation.

Ms McCulla: Good morning, can you hear me?

Ms Livingstone: We can hear you, thanks Jenny.

Ms McCulla: Thank you very much and thank you for the opportunity to be able to present the views of our association, Davistown Progress Association. Of course, there'll be varying views across the community as there always is and we of course respect that but discussions and work that we've undertaken so far with our community members is that they are very keen to see upgrades within the system and understand the implications of that.

So, Davistown's one of the Central Coast's most lie, low-lying areas such as South Tacoma, as well as other areas of course nearby in. I'm trying to think of that the other area but anyway that's gone at the moment.

It's presented a number of problems to us with stormwater and vacuum sewage systems here. Upgrades to both our 30-year-old wastewater system and the ineffective stormwater systems becoming more essential to avoid flooding after each East Coast Low that we have, and periods of heavy rain in particular.

A DPA wastewater subcommittee has been working with councils' technical managers to pinpoint the various issues around here, and the most reported problems at various residential addresses require initial pod and pillar upgrades, and that's currently being undertaken.

We like to secure more gradual upgrades to the whole pod system. Currently there are a 100 being upgraded, which we appreciate but of course more will need to be done and that upgrade the system here will ultimately save council staff-time and funds down the track once completed. Further funding will be required to undertake further stages of this initial upgrade.

Much staff time and money has been spent in those remedial works over years, recently as the system's been breaking down more and more, 400 homes were without proper sewerage services 2 years back. Residents really need to be guaranteed that this won't be repeated again, and these upgrades will certainly move in that direction.

Our stormwater system regularly blocks up at many locations, and it causes a lot of backup, local road flooding and impassable streets, which you can see visually in my presentation, and of course this is worse during high tides.

The system is in need of similar urgent attention, the stormwater system and we'd like to work with council on how solutions can be found to avoid more future flooding episodes. There are various innovative programs operating that can be looked at, that may well be very cost effective. However, the system requires specific planning and future funding to ensure of course the best possible solutions are found to alleviating this particular problem here.

More moderate increases in water rates would be supported to gain these essential upgrades into the future and as a gradual introduction as you've suggested, may well be the best for people who are particularly on pensions, and we'd like more support for any one-off infrastructure grants for particular low-lying areas to complete some of these projects in ours and other areas to bring the services up to healthy standards here, thank you.

Ms Livingstone: Thank you very much Jenny, and we'll keep moving and it won't be long till we get to your questions, but I'll ask now Lorraine Wilson from the Central Coast Plateau Chamber of Commerce presenting on behalf of the area west of the M1 to share her presentation with us now. So, Lorraine, if you take yourself off mute, the floor is yours, thank you.

Ms Wilson: Thank you. I'm going to give the words that Tim Kemp from NSW Farmers provided. First off, he informed or let you know that he must spend time on his farm today because of the weather and the rain that's about to come back, if he wants avocados next year. So, this is on behalf of Tim Kemp and NSW Farmers.

We basically agree with the removal of stormwater costs from general water charges, as they are basically a function of council and as such should be paid through rates. This will allow council to more easily access grants for works and improvements. The EPA is one source of funding that may be available. The Chamber of Commerce also agrees that we do recognise that stormwater rates are necessary for the short time envisaged.

The second point that Tim wanted to make was the concern we have is that in the past council has attempted to charge exorbitant fees to rural land holders for stormwater services. Inclusion of any stormwater charge into general rates could potentially be very opaque, making it very difficult for rural landholders to know what they are being charged and allowing council to increase charges without ratepayers actually knowing. Rates for many rural land holders have already dramatically increased and further hidden charges would impose additional costs to doing business many would find difficult to cover. That was the input that Tim wanted to put, and he does apologise for not being able to do it in person, but he needs to produce avocados for you all to eat next year.

The issues that I wanted to bring today some of them are questions and hopefully they can be answered in the answer and question time. Mainly I wanted to say that rural ratepayers are concerned that rate hikes in our areas, do not translate into actual action. I don't think anyone argues about money being well spent, and I'm not talking about increased wages and more bureaucratic levels within council, aside from organisations such as the Chamber of Commerce or NSW Farmer's, rural rate payers often just have to pay up.

The septic levy is a case in point. Not a lot of money in the scheme of things, but very little to show for the charge, on. We pay for a council approved septic system, no farm can put in a septic system unless it's council approved, and with them we have to maintain that septic system ourselves and we pay the cost for that. If we don't maintain that system, we can have some very unpleasant outcomes, so it's up to us to look after it. The levy that we pay council is to make sure that we are doing the correct thing. Well if we're not doing the correct thing, we suffer the consequences.

Similarly, with onsite drains and dams, which rural ratepayers build and maintain to both mediate stormwater and retain surface water, are all at our expense. Council does not pay for our dams, it does not pay for our drainage, and we pay a state levy to retain that surface water in our dams. And if you think about it, our dams actually mitigate the stormwater impact downstream. And with the last flood events that we have seen in the north, there is a call for more dams. Well we're already doing that on farms on the Central Coast Plateau. Imagine if there were no dams up here, the impact that that would have on places along the coast.

The other problem that the Chamber of Commerce sees is transparency post the 2026 return to zero cost under Central Coast Council direction. What surety do we have that stormwater rates will revert to zero after 2026, and I see today in your presentation that that's not necessarily correct, that there will be a further review on what will happen at that time. My concern, my huge concern that it will reverse to an area based charge for all properties over one hectare, and when I look at the charges that IPART are proposing, to charge for area-based stormwater rates over 45 hectares, I cringe, I really cringe. Stormwater management has always been and will always be. We've always had stormwater to contend with wherever we are.

The other issue is, are we setting a possible precedent for stormwater charges to be used in other local government areas in NSW. I've tried to find out whether I know they pay water rates in other areas, but I'm not sure whether farms in rural areas in other LGAs in NSW actually pays stormwater rates.

If land rates are predominantly about funding roads, and stormwater levy about stormwater, is there a communication between the 2 departments to for instance, camber road surfaces to maximise effective stormwater runoff, or not using small gravel on a dirt road which is easily carried into a dam, and this has happened at Somersby. That's only one that I know of, that was related to me.

The other thing and this is another question probably, there is a Declared Drainage Area in the north of the LGA, which is exempt from stormwater levy. Now I don't want to take that exemption away from them, but I'm wondering why that area would have an exemption when we would also predominantly be with our national park and Crown Land land, be identified as a drainage area as well.

I guess in my presentation, I've asked more questions than anything else, but I hope you get the general gist. We pay, we pay a lot of money to maintain our own stormwater management systems, mitigating stormwater runoff to the rest of the Central Coast and we also do a lot of and we don't get any water services of course, so it's only the stormwater, thank you for listening.

Ms Livingstone: Thanks very much Lorraine and thank you also for passing on the comments from Tim Kemp, who wasn't able to join us we appreciate that you did that for him, and we will aim to get to some of the questions that you raised as we work through the Q&A.

1.5 Q&A discussion

Ms Livingstone: Now we have received a lot of questions, and I am going to try and group some of them together, so we deal with certain themes at a time. Early on there were questions that I might just ask if Central Coast Council can reply to you in the chat, just to give information about the number of staff who are participating in the forum today, a couple of our participants wanted to know that, but I'll leave that to you to provide a response to that in the chat.

There were a couple of questions that go to how Central Coast Water is regulated and also slightly related to that, but a little bit different is what happened at the point of amalgamation and bringing the 2 businesses from Wyong/Gosford council together.

We might go to those first, we might not be able to give you all the answers there, because some of these are government decisions, rather than anything that we did, but I wonder if Carmel you might want to start with what occurred at amalgamation, and then the 2 sets of regulation that apply to Central Coast Water, which is different to other local government water utilities.

Ms Donnelly: Yes, thanks Liz. I will just make a few comments, and I did notice another question in the chat that I'll answer now too which was why Central Coast Council's water business is a Water Supply Authority, different to other local government Water Supply Authorities.

Now that certainly has been a decision quite some years ago by the Parliament of NSW. So, it reflects laws that have been set by Members of Parliament and I can't speak for what they had in mind then. I'm sure that there would be public information about the debate about why they came up with that.

But what I can say is I have asked myself the same question, in thinking about this review and I would just note that Central Coast Council is certainly, smaller than Sydney Water and Hunter Water in terms of the amount of properties that are customers of the water business. So, for instance Sydney Water is 2.1 million, Hunter Water is 280,000. But Central Coast is around 140,000 customers, and really comes in third there, and the next one down is Shoalhaven which has about 50,000 customers and delivers about half the amount of water of Central Coast again.

So, it is a very sizable, it is by far the largest water business that is managed by a council, and by a significant margin. So, that's me wanting to be improving my understanding, and sharing that with you about the comparisons with local government. For Sydney Water and Hunter Water, they're bigger, but Central Coast is certainly much bigger than other council water businesses.

Now that decision was actually taken quite some years ago and involved Gosford and Wyong Council's water businesses being treated as one water business. That was the thinking back then so I would just offer in terms of the amalgamation a couple of observations that doesn't necessarily mean that that changed because of amalgamation, there was already legislation saying that the Gosford and Wyong area was larger and bigger and needed to be a Water Supply Authority.

The other is it hasn't been part of IPART's responsibility to go back and look at what happened in amalgamation. I think very much that was the Terms of Reference and the role for the Public Inquiry with Commissioner McCulloch, and also for the initial Administrator for Central Coast Council.

My understanding is that their observations were that it was about the quality of the management, financial management within council at the time that was a significant contributing factor. So, I won't, I can't speak for others, but I can say that that's in the public domain as conclusions and I might just see whether there is anyone else who would like to offer a response to those questions.

Ms Livingstone: I might explicitly extend that invitation to Central Coast Council, if there's anybody who wanted to make comment there?

No, okay, there's just one further related question which goes to our proposed review in 2 years' time, in our interactions with Central Coast Council. There's a question from Jacqueline Anne, who's interested to understand whether we've had discussions about restructure, corporatisation and privatisation, and what influence that might have on how we've considered our, or how we've gone through the pricing review process at this time.

Ms Donnelly: Okay, look I'll make a few comments, and I notice that my fellow Tribunal Member Deborah has her hand up, so I'll go to Deborah in a minute.

So, one thing I would make clear is that we have very strong processes to ensure that we make independent decision makers as Tribunal Members, and we manage any conflicts of interest, we have documentation about where we have meetings, that information is available, either we put we proactively publish it, or it's available if you want to have a government, a GIPA request equivalent to an FOI request for information.

And certainly, I can tell you now, I have had one meeting with the Administrator of Central Coast Council when I first joined IPART in July last year. Notes from that meeting are on our website and I know that the other Tribunal Members have not met with Central Coast Council in the intervening period. So, these are the decision makers on the Tribunal have not met with Central Coast Council.

The responsibility for us in undertaking this review is to consider many matters, really all relevant matters, but the focus of our methodology is what's needed for financial sustainability, what's needed to meet the needs of the community and customers, what might be the environmental impacts, are the prices that we're setting and obviously the accountability measures that we're looking at, what can we do to improve efficiency and very good use of the money. So, we look at criteria such as those.

Of course, we research thoroughly, and we hear from the community, and so we are alive to concerns from the community, and the challenges of a council that has had significant issues with financial management and being dismissed and having an Administrator and so we're alive to that.

We're aware that the council has separately been looking at how it will you know consider options for structure. That's not part of our review, we certainly have considered whether or not the way council is managed, the way, its processes, how it makes decisions in terms of water services. We've looked at the quality of that, we are likely, as we have with the last review, to make recommendations about where we think things need to be improved.

And to that end, I know that we would look at whether or not we think there could be improvements in governance, but our focus for the review in 2 years' time that we're going to recommend that the Minister give us power to do is to investigate, back to actually Lorraine's point, and a point raised on Tim Kemp's behalf by her as well, investigate has the money gone to where it needs to go, have the improvements in strategic planning, in asset management, in governance, in how council manages its water business, have they been implemented and progressed upon, and has the performance in the sorts of things that matter to the community has that been improving. And that's very focused on, is the Central Coast Council as a Water Supply Authority, delivering on its accountabilities.

We would expect that by then, actions in response to the Public Inquiry, if there are other reviews about options that council is considering, they will have progressed, you know it's not something that IPART gets involved in, but presumably you know, and a set of elected councillors. So that we're really saying, we'll come back in 2 years' time and we want to see improvements and we will measure whether they're there, and report on that, and it's getting very much down to, is the money being spent well, and delivering what the consumers believe is important. So that's the scope of what would be doing. Now I'm sorry that was a long answer and I am going to see if Deborah would like to also speak on that, thanks Deb.

Ms Cope: Just had a couple of small points that I thought might be useful for people. One is our experience across water businesses is, that it is possible to provide services at lower cost on bigger water businesses. There are benefits in being in scale, because of the nature of the infrastructure. So, we expect greater cost reductions from a business of the size of Central Coast Council, and that's one of the things that we're really been pushing through in this inquiry, to look at how they can generate those efficiencies.

The other one is there were some questions in the chat around the difference of being a Water Supply Authority compared to be regulated under local government, and I think probably one of the key differences is the fact that we set prices. If Central Coast Council was simply regulated like all other councils, then there wouldn't be somebody that dictates what their prices should be. They would have far more freedom to set those prices themselves.

And but there is a key difference between them and some of the other large water utilities that we regulate, and that is we don't licence them so we have some other tools that we use to set quality controls on Sydney Water and Hunter Water, and require them to report and we audit their compliance and their performance.

Part of what we're talking about this afternoon on reporting and looking at the 2-year review was trying to use those tools that we can, that we have in our power at the moment, to be able to drive performance, because we don't have the same tools available that we do with other large water utilities.

Ms Livingstone: Sandra also I think has some points, another of our Tribunal Members, so I'll go to you Sandra, and then we'll move on to another topic that some of the questions relate to.

Ms Gamble: I'll be very brief. Yeah, thanks. Just picking up the points that Deb and Carmel have made and I know that Carol's mentioned it, but I think it's worth saying again, which is that we not only expect efficiencies from the council now, we expect them ongoing into the future. And so, when we set the prices for the year after this 4-year review, we expect efficiencies to improve even further, which will be taken into account when we look at the efficient costs of the business in another 4 years. So, that's why we would expect that the prices that, that are reached by, I think it's the 1st of July 2025, that they would be just for that year, and that the following year when we do our review we would expect even greater efficiencies.

I think also too, sorry I'll just mentioned, I know Lorraine mentioned it, we also have set the price of stormwater to be zero from I think the 1st of July 2026, which means that, that is the default, so there won't be, and the council will need to find ways to recover those costs through general rates at that point, because they won't be able to recover them through water prices.

Ms Livingstone: Thanks Sandra. And we will come to more stormwater questions a little bit down the track, but one of the other areas that people have raised questions about is the price path, or the way that the increases are introduced. We've proposed a gradual increase, but it's not even Douglas McCloskey, from PIAC has asked about that, and there's a couple other questions, one from Joy Cooper, and one from Marilyn about harmonising the prices between Wyong and Gosford, but I might ask Douglas, if you want to ask your question about why we've proposed the price path as is.

Mr McCloskey: Yeah, Liz. It's just I was just reflecting on the issues that you raised around the community has expressed a preference for increases to be gradual and or steady, and also kind of noting that there are concerns obviously around the affordability impacts of such a big change up front, and I was just noting that there really isn't probably a huge impact a difference for people between 25% and 19%, that's still a fairly significant impact upfront impact for households. And just if there was, why the Tribunal considered that it was preferable to do it as proposed in the draft, instead of a more even introduction over the period of the 4 years.

Ms Donnelly: I'm happy to share some of my thinking on that and certainly if the team want to add. So, Douglas we worked out over the 4 year period that in order to allow Central Coast Council Water to collect effectively 25% increase over that 4 years on average, then we could either increase it by 25% in one go, and then hold it steady apart from inflation, Or we could look at options, and what we've put in our draft decision is an option for staging it.

Now one of the things that we needed to take into account was that if we started with a far slower phasing in and a lower price increase for the first year of those 4 years then it would need to get higher and higher and by the fourth year, it may be higher than the allowable maximum price that we have in the current proposal, in order to average out at 25%.

Now that doesn't mean we can't do it, but this was the preferred phasing in option that the Tribunal came to and those were the sorts of things that we thought about because we do need to come out average at 25% based on our draft decision at this point.

Mr McCloskey: I think that definitely explains it, and I do think that's a valid consideration and I think it's really good with Tribunal are considering those issues. I suppose what I would note is that in relation to household impacts, the upfront impacts do have an outweighed significance and materiality, and that there are another a number of other I suppose interactions that increases in the nearer term years, are probably more predictable and more bankable as well as less than the impact and considering the environment that is around at the moment regarding inflation and uncertainty and a number of other cost increases that people will be facing, whether the trade-off may be that a slightly higher increase in 4-years is probably preferable, to a much bigger upfront increase now, where we are certain that people are facing some fairly significant cost of living pressures. I think it's an open question, but it was just something that I think might be worth considering for the Tribunal.

Ms Donnelly: Yes, well thank you. I think, absolutely we hear you and that's part of the reason for putting it out and seeking the feedback and ensuring that we've considered all the perspectives. So, I'm happy to take that on board and we'll consider it, and I do notice that Deborah's also got a hand up again, Deborah might want to make a comment on that.

Ms Cope: I was just thinking we've asked people whether they prefer a phasing or a one-off. I think it would be useful for them to have access to the information about what a slower phasing would look like. So, I think if the team could perhaps put something up on our website that indicates the chart for how prices go up over time if you do it in equal increments, that might help people's later feedback about what type of price path they prefer.

Ms Donnelly: That's good. In fact, the way that we've expressed it in the draft decision aims to let people see what would it look like, if we phase it in, so we can add some other options I think onto the website.

Ms Livingstone: Thank you we'll do that. Merilyn from Coast News you had a question about harmonisation of prices between the former Wyong and Gosford areas, would you like to ask that question?

Ms Vale: Thank you. I remember when the first came on, so the residential, not the water rates showed a big increase for Gosford people, and a decrease for Wyong people in their residential rates, but I think these water rates are being harmonised at the same time as this introduction of the rate rise, and I think it's the other way around and one of the things I sort of thought was that the 109% service charge will affect low-income people, a bit like the harmonisation of the rates affected people with small properties, they had a the base rate came up, and this is a base rate coming up as well. I just wondered whether you guys are looking into that what the effect of the harmonisation will have on particular ratepayers?

Ms Livingstone: Deb, did you want to start with that one.

Ms Cope: Yeah, so the water rates have already been harmonised. We did that during the last determination. So what's left now is the wastewater prices, and I was wondering if perhaps we could because there was a slide on that in the pack, is it possible to put the slide back up, just so people can have a look at it because, I think we went through it reasonably quickly at the time, and you're right it does work the water adjustment works in the other direction to what the rates adjustment did in that the Wyong prices go up more than the Gosford prices.

Ms Livingstone: Team, are we able to put that slide up?

Ms Cope: Just briefly so people could have a bit of a look at it. There we go, yep so you'll see on that there is that we haven't split out Gosford and Wyong for water, and that's because that harmonisation has already happened. But we still we got did get feedback in the previous review and in this review that people felt that wastewater prices should also be the same across both areas, which is the reason why at this stage we've got the draft, harmonises those prices.

Ms Donnelly: Yeah, so specifically I might just add, Merilyn we did a survey with when we had the Issues Paper out, over 1,000 people completed it and three-quarters of them, so 74% nearly three-quarters of them said that they believed that the charges for wastewater for Gosford and Wyong should be the same.

Now the opportunity now is that with us publishing what that looks like, to again ask for feedback, so certainly I'd be very keen, I know the other Tribunal Members would be, to get feedback on whether there are, what their views about, would the impact would be, and whether that is something that is still supported, to bring them in line this time.

Ms Merilyn: And what about the service charge, that's a really big increase for everybody isn't it?

Ms Donnelly: That is a big increase and it does apply right across the board. We're with a lot of the information we've put out, we've based it on a typical householder, and I think we've also got some information. I don't know if it's on one of the slides, where we can put in our pack of information on the website, about what the impact is for different types of households.

Ms Merilyn: Thank you.

Ms Livingstone: Thanks Marilyn. There's a couple of other questions directly related to prices that I might just go to now. Joy Cooper, you asked a question about how these prices relate to the projected population, and whether current residents are paying for the services of future residents. Is that your question, did you want to clarify that?

Ms Cooper: Yes, that is my question because the upgrade that's proposed for Gosford is clear that for a long period of time, that's been for population increase in Gosford. So that more units can be built in Gosford, that's the reasoning there and that's what Gosford Council had said that they the reason that they wanted to upgrade there, and that's what the Central Coast Council website is saying at the moment. So, I'm not sure why we're slugged with an increase, but also have to pay for more developer benefits.

Ms Donnelly: Okay, well Joy, I guess I will share some. I'll give you an answer to that, but also open to anyone from Central Coast Council or other people from IPART that might want to add. The price increases that we're proposing in this Draft Report would cover a range of different things, so they will cover the operating expenditure that's needed, as well as capital expenditure and they would cover maintenance of the infrastructure that is already in place, and it did also include us examining forecasts for what the demand would be and how much water would need to be supplied.

But there is I guess at the heart of your question really consideration of to what degree when there's a new development, developers contribute and there are other arrangements under local government arrangements for developers to make contributions when they open up a new area for residential or business use and so we would not want to see that being collected twice.

We take into account that there is that avenue for developer contributions, that's probably the best way to put it, that we're alive to the fact that there may be other sources of revenue and that's part of the reason for us being very aware that Central Coast Council is operating both as a council and as a Water Authority.

So, for instance councils can collect developer contributions for stormwater infrastructure at the time that they're approving development for new residential developments, and that's part of the local government council function. So, we've taken that into account Sandra's got a hand up, so I may just see whether Sandra would like to add to that?

Ms Gamble: Yes, I would thank you Carmel. I just wanted to recognise that inherent in your question too is the idea that residents today may be paying for capital expenditure that future residents may also enjoy. And I just wanted to clarify I guess one of the techniques that we use in setting prices, which is that when capital expenditure is made during a period, not the entire amount is included in prices for that period. We actually allow for depreciation over the life of the asset, and it's the depreciation that is added to the prices, not the whole capital cost.

So, in addition to the point that Carmel made in relation to developer contributions, you know the methodology that we use inherently spreads the cost of long-lived assets over the life of their assets, so that customers pay for them as they enjoy them.

Ms Cooper: But these are not maintenance these are actually upgrades.

Ms Gamble: Yes.

Ms Cooper: And the state government have actually reduced the, you mentioned developer contributions, they've been reduced so the Central Coast Council actually received less of the developer contributions now, because of the changes that the state government made, and the state government aren't paying for these sewer upgrades in Gosford CBD.

So, it's quite specific. It's not because of depreciation and maintenance that these upgrades are happening, these upgrades are happening specifically so that there can be more units in Gosford and yet the developer contributions that you refer to the Central Coast Council have less of them now because of the state government changes that have occurred. So, I still can't understand how we as residents won't be paying for that, seeing that the figures have been tugged around.

Ms Donnelly: So, Joy.

Ms Gamble: I'm sorry I was going to say Joy, it's a very fair question and I'll pass over to Carmel and Deb.

Ms Donnelly: Okay so Joy, I will just clarify, obviously we're aware that the state government has signalled an intent to reform developer contributions, that requires legislation to go through the Parliament it hasn't gone through. And like certainly, we don't speak for the Government, this is their decision, but it is public that they've announced that they're holding off on those, and you know, they may not come in for several years.

Ms Cooper: No that happens now, that's already happened.

Ms Donnelly: No.

Ms Cooper: This isn't something proposed to happen.

Ms Donnelly: No, it hasn't.

Ms Cooper: The changes that I'm referring to in Gosford have already happened.

Ms Donnelly: No, I well unless, if you're talking about government changes to developer contributions, that's still going through the process with Parliament, and I can confirm that the way that we consider depreciation applies to upgrades in fact, even very big investment in new infrastructure. So, that the cost of that investment is spread over the whole lifetime of the, a long period of time over the life of that asset, so that it isn't a big hit at one particular year, or one particular group of years for the people who are customers at that time.

We're particularly alert to that, I might just see whether Deb wants to add and then I know that there's a few other questions and we are going a little bit over time for this session, but I'm just going to suggest that we do keep going to answer as many questions as possible, and then have a break and we'll come back and have our second part of the hearing.

Ms Cooper: We're still paying, that's the point. Even if it is spread over a long period of time, we are still paying.

Ms Donnelly: Well, if it isn't covered in a developer contribution, and we have had that discussion and certainly I can say I've certainly seen no evidence that that's changed yet, although there is an intent, you're quite right that I've seen announced.

But yes that is an important component of in fact our draft decision to increase prices is that there's a need for investment and it does need to be paid for, you know and so it's about is it a fair price for the infrastructure that the community would value, given the problems that they've highlighted to us about services. And I will just see whether Deb wanted to add to that, you've got your hand up.

Ms Cope: Yeah, Joy's question is really good because and as Carmel said the importance of not double counting this money is important. So, there are different types of developer contributions and the stormwater, which goes into the general developer contributions which is the one that Carmel's talking about, and then there's a water services developer contributions.

So I'd actually like to throw this to somebody from Central Coast Council because I would love to get a better understanding for how you're collecting the costs of the infrastructure in the new development through contributions and what impact that's had on what's being proposed for the water prices.

Mr Loader: I'm happy to answer that question. So, good morning everybody, I'm Jamie Loader, Director of Water and Sewer for Central Coast Council. The actual works that you're referring to Joy in the Gosford CBD are actually grant funded through the Housing Acceleration Fund, so they're 100% grant funded by the State Government. So, they're not part, not paid out of the revenue that we receive from our customers.

The other I guess in a broader response around developer, or growth related, capital investment is largely funded from our Developer Servicing Plan and I'd say the developer led, and we provide credits for the developer in undertaking that work consistent with the plan, or we fund that work through the developer contributions. So hopefully that clarifies that.

Ms Cooper: Can Jamie just clarify as well if that's okay that there hasn't been a decrease in developer contributions in the more recent past?

Mr Loader: I'm not sure whether you're referring to developer contributions under section 7.11 and 7.12 of the Environmental Planning Assessment Act, because they're separate to developer contributions for water and sewer work, so we operate under those and I'm not aware of any decrease in that in that regard.

Ms Livingstone: Thanks Jamie. There is a question from Ian Carruthers about CPI and how that is incorporated in IPART's decision, compared to the council's 34% increase, Ian and did you want to talk to that question?

Mr Carruthers: Well really just seeking clarification that as I read the draft determination for the 4 years with the ramp in, irrespective of the slope of the ramp, that might be decided in the end, but there's no CPI added in on top of that in, in future years. So, it's a fixed price in advance irrespective of what happens with CPI.

Ms Donnelly: Ian, I think I would need to clarify for you that what we've said is for instance it's 19% that's the proposed if we're phasing in the prices for 19% the first year then. 4% plus inflation each of the next year, so it isn't incorporated, it would be in addition. So, that's what we've calculated as that what's the proposed approach in the draft, and if we went straight to for arguments sake, the 25% in the first year, then after that it would only increase by inflation, but we have to have inflation on top of the phased in approach.

And look while I've got the floor, I have noticed Liz there's Jacqueline Anne had her hand up before and I think we haven't come to her yet with her question, is that where we're going next?

Ms Livingstone: I thought Jacqueline took her hand down, but Jacqueline if you're there did you still want to raise a question, or did we answer it in the previous discussion?

Ms Cope: I think she may have missed that Liz.

Ms Livingstone: Okay.

Ms Towers: You might just need to invite Jacqueline again Liz, I think she had her hearing.

Ms Donnelly: Yeah Liz do you want to just see if Jacqueline would like to?

Ms Livingstone: Jacqueline, would you like to speak now?

Ms Donnelly: No, we've answered it, okay all right.

Ms Cope: Liz, just while we're in a little gap, there's lots of questions in the chat and it does look like we will run out of time, is the proposal that we will provide written answers to any of the questions that we don't get to today?

Ms Livingstone: Yes, that I think is the best approach.

Ms Donnelly: Yes, I think we can do that.

Ms Livingstone: Because we do want to get your feedback on how we can develop performance measures and indicators that will help hold Central Coast to account. So, what I'll propose to do is to have a 10-minute break now and return at 11:45am for our workshop which is scheduled to run for an hour, so that would then make finish at 12:45pm.

I'm hoping that that works for most people. We're able to do it at our end and I'm sorry that we're asking more of your time, but I think it will be a valuable exercise to have that workshop together. So, we will have a break. You've stuck with us for one and a half hours, everyone deserves a bit of a breather, but let's come back at 11:45am and we'll have a one-hour workshop on the performance measures, and we will save all the questions that you've asked and provide answers on our website.

Ms Donnelly: And Liz are we asking people to just stay on the line and mute and...

Ms Livingstone: Turn off your video.

Ms Donnelly: Turn off the video, rather than...

Ms Livingstone: Rather than logout, that will save time.

Ms Donnelly: We'll see you soon, thank you.