Central Coast Council

Ordinary Council Meeting

ATTACHMENTS PROVIDED UNDER SEPARATE COVER

Tuesday 23 September 2025

Central Coast Council

ATTACHMENTS PROVIDED UNDER SEPARATE COVER to the

Ordinary Council Meeting

To be held in the Central Coast Council Chambers,
2 Hely Street, Wyong
on Tuesday 23 September 2025
Commencing at 6:30 PM

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WORKING COLLABORATIVELY PARTNERSHIP AGREEMENT

BETWEEN

LAKE MACQUARIE CITY COUNCIL AND CENTRAL COAST COUNCIL

Parties

1. The parties to this Partnership Agreement are:

   a. Lake Macquarie City Council (ABN 81 065 027 868) of 126-128 Main Road, Speers Point NSW 2284

   b. Central Coast Council (ABN 73 149 644 003) of 2 Hely Street Wyong NSW 2259 (collectively the "Parties").

Shared values

2. The parties recognise the traditional owners of the land on which they operate. Both parties are committed to reconciliation and our Indigenous and innovative communities.
3. The parties undertake this agreement acknowledging the goals, priorities and aspirations of both communities:

Lake Macquarie City Council	**Central Coast Council**
Community Strategic Plan	**Community Strategic Plan**
Economic: A city with a diverse and thriving economy	Our People: All the elements that make our people feel safe, supported, celebrated, and connected to their life on the Central Coast.
Environmental: A city that protects and showcases its natural environment and is resilient to environmental change	Our Environment: The protection and celebration of our natural landscape, including beaches, waterways, bushland, open spaces, parks, reserves.
Social: A city where people want to live and work, and feel connected to each other	Our Place: The levers that help our people to live, move and enjoy their life on the Central Coast.
Governance: A Council that operates with good governance, trust, transparency and respect	Our Economy: All of the activities that create a dynamic and thriving region, with educational pathways, employment opportunities a strong tourism sector and vibrant town centres.
	Our Leadership: The systems, processes and partnerships that ensure genuine community participation, financial stewardship and excellent service deliver to our community.

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Purpose

4. The purpose of this Agreement is to promote a strong working relationship, effective communication and collaboration between Lake Macquarie City Council and Central Coast Council to deliver tangible community outcomes. Together, our councils represent a combined population of nearly 600,000 people (220,000 in Lake Macquarie and 350,000 in the Central Coast). This partnership provides a powerful platform for joint advocacy on issues of shared importance and significance. By aligning our efforts, we can more effectively represent our communities to NSW and Federal Governments, ensuring our collective voice is heard and our priorities are supported.

Objectives

5. The objectives of the Agreement are to:
    a. establish a framework for the continuing joint interaction of the Parties.
    b. advocate jointly on matters of shared importance
    c. explore opportunities and synergies for improving community service delivery and infrastructure provision through co-investment, partnerships, innovation and research.
    d. achieve a shared understanding and leverage each organisation's objectives.
    e. strengthen relationships between both organisations (the "Objectives").

Structure

6. This agreement will be serviced by a Governance Structure as outlined in Attachment 1, consisting of a Partnership Committee led by the joint Mayors and a Steering Group led by the joint CEOs.

Undertakings

7. The Parties will:
    a. Keep each other informed of key project projects, activities and strategies that have the potential to affect service provision (including strategic planning activities and infrastructure assets) or any joint projects, activities or investigations in the Lake Macquarie and Central Coast areas.
    b. Seek to engage each other where possible on key collaborative opportunities in areas of interest, including:
        i. Coordinated planning across the Morisset – Warnervale growth corridor.
        ii. Shared community infrastructure that connects and serves both regions.
        iii. Energy transition initiatives, including the future of Eraring and Vales Point.
        iv. Collaborative use of assets and resources for mutual community benefit.
    c. Explore opportunities to share information, advocate and develop consistent approaches on issues that are common to each Party.
    d. Explore areas for potential efficiencies to be realised through a coordinated or joint approach by the Parties.
    e. Attend at least two meetings a year of the Partnership Committee to ensure that priorities are progressing and the relationship is strengthening and delivering for our communities.
    f. Host at least two meetings a year of the Steering Group (joint Council Executive teams) to ensure that identified priorities and projects are progressing and emerging issues and opportunities are explored, understood and mutually resolved. The working groups will be created based on opportunities of interest and they will meet at least one month prior to the Steering Group meetings.

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g. Foster effective working relationships at all levels of both organisations.

h. Endeavor to resolve any disputes or disagreements that arise in a spirt of reasonableness and cooperation (the "Undertakings").

Media

8. The Parties will discuss and use best endeavours to agree on the timing and format of the release of any information or public announcements relating to joint investigations, activities or relevant assets of the other Parties.

9. Subject to clause 5, each party will provide draft material to the other party for review and approval prior to issuing any public statement, media release or media response in regard to joint activities, investigations or assets of the Parties.

10. From time to time there may be a need for a party to respond urgently to media enquiries and emergent issues. In these instances, the Parties will use best endeavours to consult with the other Parties before responding, but it is acknowledged that a response may need to be issues prior to receiving approval from all Parties.

Intellectual Property

11. Each party will retain ownership of all existing intellectual property relating to that party's assets, systems, investigations and models.

12. In the event that the Parties agree to undertake a joint activity or project, each party agrees to the other party a royalty-free licence to use that party's intellectual property for the purposes of any agreed activity undertaken under this Agreement.

Not Binding

13. The Parties agree that this Agreement only expresses the intention of the Parties, and is not binding and does not create any legally enforceable obligations between the Parties.

Expenses

14. A party may not commit the other to any cost, expense or obligation without the written consent of that party.

15. Each party will be responsible for any cost, expense or obligation necessary to their achievement of the Objectives.

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Execution

Signed for and on behalf of	)
LAKE MACQUARIE CITY COUNCIL	)
by its authorised delegate	)
in the presence of:	)
…….	…….
Witness	Delegate
…….	…….
Print name	Print name
	…….
	Date
Signed for and on behalf of	)
CENTRAL COAST COUNCIL	)
by its authorised delegate	)
in the presence of:	)
…….	…….
Witness	Delegate
…….	…….
Print name	Print name
	…….
	Date

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Attachment 1

Table 1: Governance Framework and Roles of the Partnership Agreement

Group	Composition	Function	Specific roles	Meeting frequency
Partnership Committee	Mayors, one elected representative and CEOs from both Councils	Oversee strategic direction, strengthen relationships, and monitor progress on shared priorities	• Set strategic priorities • Endorse joint advocacy positions • Champion the partnership publicly	At least 2 meetings per year, hosted alternately
Steering Group	Executive leadership teams from both Councils	Drive delivery of identified priorities and projects; explore and resolve emerging issues collaboratively	• Translate strategic priorities into action • Monitor project progress • Identify and respond to emerging opportunities	At least 2 meetings per year, hosted alternately
Working Groups	Senior staff and subject matter experts from both Councils	Focused collaboration on specific opportunities or projects; prepare updates for Steering Group	• Develop and implement project plans • Share data and insights • Prepare updates and recommendations for Steering Group	As required, and meet at least 1 month prior to Steering Group meetings
Joint advocacy	Mayors, CEOs and relevant staff	Coordinate submissions and engagement with NSW and Federal Governments on shared issues	• Draft joint submissions • Schedule and attend meetings with government stakeholders • Align messaging and priorities	As required, aligned to advocacy opportunities

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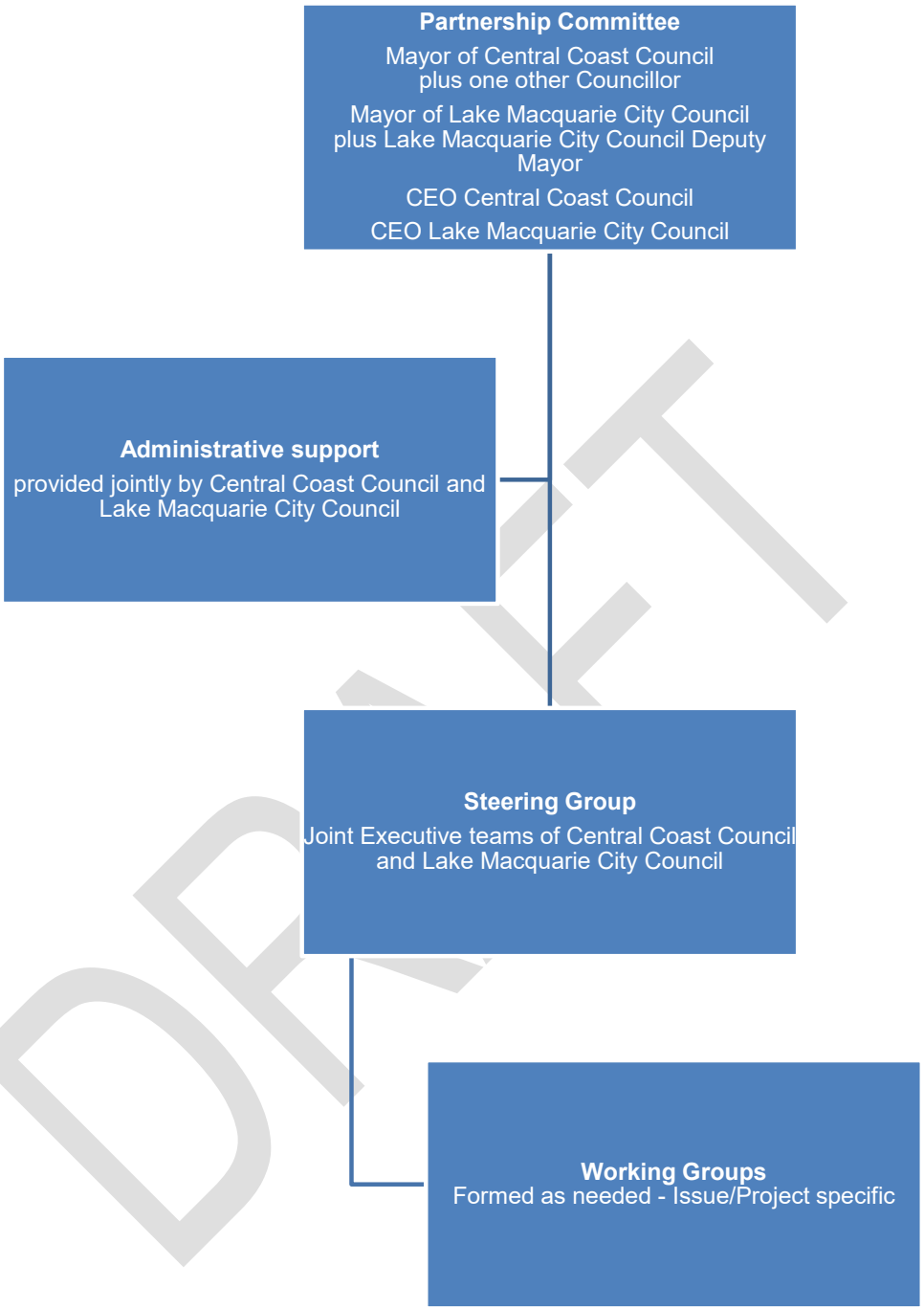


Figure 1: Partnership Governance Structure of the Partnership Agreement

Central Coast Council
Summary of Investments as at 31-August-2025

Financial Institution	Type of Investment	Short Term Rating	Long Term Rating	Maturity Date	Portfolio Balance $	As a % of the total Portfolio	Interest Rate %
Defence Bank	Term Deposit	A2	BBB	03-Sep-2025	5,000,000	0.64%	5.09%
ING	Term Deposit	A2	A	19-Dec-2025	5,000,000	0.64%	5.11%
ING	Term Deposit	A2	A	24-Dec-2025	5,000,000	0.64%	5.11%
Auswide Bank	Term Deposit	A3	BBB	11-Dec-2025	5,000,000	0.64%	5.10%
Police Bank Ltd	Floating Rate Note	A2	BBB	08-Nov-2027	2,000,000	0.26%	4.82%
Auswide Bank	Floating Rate Note	A3	BBB	22-Mar-2027	2,750,000	0.35%	5.26%
AMP limited	Floating Rate Note	A-2	BBB	13-Sep-2027	24,000,000	3.07%	4.99%
AMP limited	Term Deposit	A-2	BBB	01-Oct-2025	5,000,000	0.64%	5.05%
Rabo Bank	Term Deposit	P-1	A	09-Jan-2030	5,000,000	0.64%	5.03%
Auswide Bank	Term Deposit	A3	BBB	08-Oct-2025	5,000,000	0.64%	5.00%
Defence Bank	Term Deposit	A2	BBB	14-Jan-2026	5,000,000	0.64%	5.00%
Australian Military Bank Limited	Term Deposit	A2	BBB	03-Feb-2027	5,000,000	0.64%	4.85%
Australian Military Bank Limited	Term Deposit	A2	BBB	10-Feb-2027	5,000,000	0.64%	4.85%
Rabo Bank	Term Deposit	P-1	A	05-Aug-2026	5,000,000	0.64%	4.78%
Rabo Bank	Term Deposit	P-1	A	19-Aug-2026	5,000,000	0.64%	4.73%
Rabo Bank	Term Deposit	P-1	A	14-Feb-2029	5,000,000	0.64%	5.04%
Rabo Bank	Term Deposit	P-1	A	13-Feb-2030	5,000,000	0.64%	5.15%
Bank of China Australia	Term Deposit	A1	A	18-Feb-2026	5,000,000	0.64%	4.77%
Bank of China Australia	Term Deposit	A1	A	25-Feb-2026	5,000,000	0.64%	4.77%
Credit Union Australia Ltd t/as Great Southern Bank	Floating Rate Note	A2	BBB	01-Nov-2027	5,000,000	0.64%	4.72%
Rabo Bank	Term Deposit	P-1	A	07-Mar-2029	5,000,000	0.64%	4.87%
Rabo Bank	Term Deposit	P-1	A	27-Feb-2030	5,000,000	0.64%	5.00%
Maitland Mutual Ltd / TA the Mutual Bank	Term Deposit	A2	BBB	15-Mar-2028	5,000,000	0.64%	4.75%
Maitland Mutual Ltd / TA the Mutual Bank	Term Deposit	A2	BBB	22-Mar-2028	5,000,000	0.64%	4.75%
G&C Mutual Bank Limited	Term Deposit	A2	BBB	10-Mar-2027	5,000,000	0.64%	4.70%
G&C Mutual Bank Limited	Term Deposit	A2	BBB	08-Mar-2028	5,000,000	0.64%	4.80%
Newcastle Permanent Building Society	Floating Rate Note	A-2	BBB	21-Jan-2030	20,000,000	2.56%	4.93%
Rabo Bank	Term Deposit	P-1	A	18-Apr-2029	10,000,000	1.28%	4.55%
Rabo Bank	Term Deposit	P-1	A	03-Apr-2030	10,000,000	1.28%	4.75%
Bendigo and Adelaide Bank	Term Deposit	A-2	A	15-Oct-2025	5,000,000	0.64%	4.55%
Bank of China Australia	Term Deposit	A1	A	29-Oct-2025	5,000,000	0.64%	4.62%
Bank of Queensland	Term Deposit	A-2	A	22-Oct-2025	5,000,000	0.64%	4.68%
Bank of Queensland	Floating Rate Note	A-2	A	30-Apr-2029	8,490,000	1.09%	4.98%
ING	Floating Rate Note	A2	A	20-Aug-2029	10,000,000	1.28%	4.59%
ING	Term Deposit	A2	A	20-Mar-2030	5,000,000	0.64%	4.37%
Westpac Banking Corporation	Term Deposit	A-1+	AA	11-Feb-2026	5,000,000	0.64%	4.30%
Westpac Banking Corporation	Term Deposit	A-1+	AA	27-May-2026	5,000,000	0.64%	4.38%
Westpac Banking Corporation	Term Deposit	A-1+	AA	18-Apr-2029	5,000,000	0.64%	4.35%
Westpac Banking Corporation	Term Deposit	A-1+	AA	03-Apr-2030	5,000,000	0.64%	4.49%
Westpac Banking Corporation	Term Deposit	A-1+	AA	01-Jun-2026	5,000,000	0.64%	4.38%
Bendigo and Adelaide Bank	Term Deposit	A-2	A	01-Dec-2025	5,000,000	0.64%	4.25%
ING	Term Deposit	A2	A	09-May-2029	5,000,000	0.64%	4.27%
ING	Term Deposit	A2	A	08-May-2030	5,000,000	0.64%	4.42%
Bank of China Australia	Floating Rate Note	A1	A	26-May-2028	5,000,000	0.64%	4.39%
Westpac Banking Corporation	Term Deposit	A-1+	AA	01-May-2030	5,000,000	0.64%	4.25%
Bank of China Australia	Floating Rate Note	A1	A	11-Jun-2028	10,000,000	1.28%	4.57%
Bank of China Australia	Floating Rate Note	A1	A	26-Jun-2028	10,000,000	1.28%	4.42%
National Australia Bank	Term Deposit	A-1+	AA	01-Jul-2026	5,000,000	0.64%	4.02%
National Australia Bank	Bonds	A-1+	AA	18-Mar-2030	5,000,000	0.64%	4.60%
Suncorp Bank	Floating Rate Note	A	AA	21-May-2030	25,000,000	3.20%	4.50%
Total Term Deposit & Bonds:					**753,770,000**	**96.37%**	
TOTAL PORTFOLIO					**782,168,440**	**100.00%**	
Current					346,578,440	44.31%	
Non-Current					435,590,000	55.69%	

Central Coast Council
Summary of Investments as at 31-August-2025

Financial Institution	Type of Investment	Short Term Rating	Long Term Rating	Maturity Date	Portfolio Balance $	As a % of the total Portfolio	Interest Rate %
TOTAL PORTFOLIO					782,168,441	100.00%	

Green Investments

Central Coast Council
External and Internal Restrictions as at 31 August 2025

Restrictions	2025/26 Opening Balance	2025/26 Full Year Budgeted Transfers	2025/26 Forecast Closing Balance	2025/26 YTD Transfers to/(from)	Closing Balance as at 31 Aug 2025
External Restrictions					
Developer Contributions	250,734,176	(2,879,771)	247,854,405	(416,808)	250,317,368
Unexpended Grants and Specific Purpose Contributions	29,594,407	(2,804,458)	26,789,949	1,758,217	31,352,624
Stormwater Levy	547,140	0	547,140	0	547,140
Cemeteries	232,641	(122,708)	109,933	(73,377)	159,264
Coastal Open Space System (COSS)	7,422,443	0	7,422,443	46,370	7,468,813
Biobanking Agreement 161	262,861	0	262,861	(262,861)	0
The Entrance Town Centre Special Rate	0	0	0	624,361	624,361
Toukley Town Centre Special Rate	0	0	0	223,567	223,567
Wyong Town Centre Special Rate	0	0	0	67,242	67,242
Tourism Special Rate	3,206,664	823,482	4,030,146	1,192,930	4,399,594
Gosford CBD Special Rate Levy	0	0	0	570,026	570,026
Gosford Parking Station Special Rate	329,988	(185,832)	144,156	228,464	558,452
Crown Land	22,319,457	(5,439,878)	16,879,579	771,818	23,091,275
Other External Restrictions	523,909	0	523,909	2,087	525,996
Domestic Waste	112,107,263	6,355,131	118,462,394	10,747,145	122,854,408
Water Supply, Sewer and Drainage	154,218,542	(382,496)	153,836,046	(26,651,861)	127,566,681
Total External Restrictions	**581,499,492**	**(4,636,530)**	**576,862,962**	**(11,172,680)**	**570,326,811**
Internal Restrictions					
Self-Insurance Workers Compensation	13,946,000	0	13,946,000	0	13,946,000
Employee Leave Entitlements	12,930,610	0	12,930,610	0	12,930,610
Tip Rehabilitation	41,096,507	(5,308,577)	35,787,930	0	41,096,507
St Huberts Island	748,223	0	748,223	0	748,223
Waste Management Infrastructure	42,053,402	620,382	42,673,784	4,267,042	46,320,444
Emergency Loans Repayment	32,600,000	(32,600,000)	0	2,800,000	35,400,000
Strategic Priorities	9,111,353	(1,155,186)	7,956,167	(224,600)	8,886,753
Multi Year Projects	7,852,006	0	7,852,006	(1,892,521)	5,959,485
Conservation Fund	3,450,575	0	3,450,575	24,323	3,474,898
Total Internal Restrictions	**163,788,675**	**(38,443,381)**	**125,345,294**	**4,974,244**	**168,762,920**
Grand Total	**745,288,167**	**(43,079,911)**	**702,208,256**	**(6,198,436)**	**739,089,731**

Investment Report Pack

Central Coast Council

1 August 2025 to 31 August 2025

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1. Securities Held By Trading Book Maturing Post 31 August 2025

Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
Central Coast Council												
LC265462	1 Aug 2025	AMP Bank Ltd		1 Sep 2025		3.60	Nil	At Call	S&P BBB+	6,662.79	6,662.79	6,662.79
LC267297	11 Aug 2025	Commonwealth Bank of Australia Ltd		1 Sep 2025		0.00	Nil	At Call	S&P AA-	28,391,777.99	28,391,777.99	28,391,777.99
LX225649	28 Nov 2024	Defence Bank Ltd		3 Sep 2025	3 Sep 2025	5.09	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,192,443.85
LC218018	11 Sep 2024	ING Bank Australia Limited		10 Sep 2025	10 Sep 2025	4.95	Maturity	TD	S&P ST A1	5,000,000.00	5,000,000.00	5,240,041.10
LX209092	13 Jun 2024	Unity Bank Ltd		17 Sep 2025	17 Sep 2025	5.35	Annual	TD	S&P BBB+	5,000,000.00	5,000,000.00	5,057,897.25
LC190925	19 Jan 2024	Judo Bank	AU3CB0292480	26 Sep 2025	26 Sep 2025	6.40	Semi Annual	Fixed	S&P BBB	8,630,000.00	8,630,000.00	8,876,213.90
LC230775	8 Jan 2025	AMP Bank Ltd		1 Oct 2025	1 Oct 2025	5.05	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,162,568.50
LX230777	8 Jan 2025	Auswide Bank Limited		8 Oct 2025	8 Oct 2025	5.00	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,160,958.90
LX220905	17 Oct 2024	ING Bank Australia Limited		8 Oct 2025	8 Oct 2025	5.03	Maturity	TD	S&P ST A1	5,000,000.00	5,000,000.00	5,219,115.05
LC155063	13 Oct 2022	MyState Bank Ltd	AU3FN0072369	13 Oct 2025	13 Oct 2025	5.02	Quarterly	FRN	Moodys Baa2	10,000,000.00	10,000,000.00	10,074,200.00
LC247974	15 Apr 2025	Bendigo & Adelaide Bank Ltd		15 Oct 2025	15 Oct 2025	4.55	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,086,013.70
LX247920	15 Apr 2025	Bank of Queensland Ltd		22 Oct 2025	22 Oct 2025	4.68	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,088,471.25
LX220906	17 Oct 2024	ING Bank Australia Limited		22 Oct 2025	22 Oct 2025	5.03	Maturity	TD	S&P A	5,000,000.00	5,000,000.00	5,219,115.05
LC181158	29 Sep 2023	Teachers Mutual Bank Ltd	AU3FN0072740	28 Oct 2025	28 Oct 2025	5.20	Quarterly	FRN	Moodys Baa1	2,000,000.00	2,000,000.00	2,013,260.00
LX247919	15 Apr 2025	Bank of China Limited, Sydney Branch		29 Oct 2025	29 Oct 2025	4.62	Maturity	TD	Moodys ST P-1	5,000,000.00	5,000,000.00	5,087,337.00
LC188385	11 Dec 2023	Auswide Bank Limited	AU3FN0073037	7 Nov 2025	7 Nov 2025	5.19	Quarterly	FRN	Moodys Baa2	9,750,000.00	9,750,000.00	9,795,825.00
LC223313	7 Nov 2024	ING Bank Australia Limited		12 Nov 2025	7 Nov 2025	5.10	Semi Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,207,493.15
LC208078	30 May 2024	BankVic		19 Nov 2025	19 Nov 2025	5.25	Maturity	TD	S&P BBB	5,000,000.00	5,000,000.00	5,329,383.55
LC223315	7 Nov 2024	ING Bank Australia Limited		26 Nov 2025	7 Nov 2025	5.10	Semi Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,207,493.15
LC254436	28 May 2025	Bendigo & Adelaide Bank Ltd		1 Dec 2025	1 Dec 2025	4.25	Maturity	TD	S&P ST A2	5,000,000.00	5,000,000.00	5,055,308.20
LC157929	1 Dec 2022	Credit Union Australia Ltd t/as Great Southern Bank	AU3FN0073961	1 Dec 2025	1 Sep 2025	5.28	Quarterly	FRN	Moodys Baa1	3,500,000.00	3,500,000.00	3,554,985.00
LC112609	20 Sep 2021	Bendigo & Adelaide Bank Ltd	AU3FN0057634	2 Dec 2025	2 Sep 2025	4.22	Quarterly	FRN	S&P A-	35,500,000.00	35,500,000.00	35,869,910.00
LC157906	6 Dec 2022	QPCU LTD t/a QBANK	AU3FN0073979	6 Dec 2025	8 Sep 2025	5.46	Quarterly	FRN	S&P BBB-	10,000,000.00	10,000,000.00	10,162,700.00
LX229252	12 Dec 2024	Auswide Bank Limited		11 Dec 2025	11 Dec 2025	5.10	Maturity	TD	Moodys ST P-2	5,000,000.00	5,000,000.00	5,183,041.10
LX225654	28 Nov 2024	ING Bank Australia Limited		19 Dec 2025	19 Dec 2025	5.11	Maturity	TD	S&P A	5,000,000.00	5,000,000.00	5,193,200.00
LC223316	7 Nov 2024	ING Bank Australia Limited		19 Dec 2025	7 Nov 2025	5.10	Semi Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,207,493.15
LX225655	28 Nov 2024	ING Bank Australia Limited		24 Dec 2025	24 Dec 2025	5.11	Maturity	TD	S&P A	5,000,000.00	5,000,000.00	5,193,200.00
LC223317	7 Nov 2024	ING Bank Australia Limited		7 Jan 2026	7 Nov 2025	5.10	Semi Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,207,493.15
LX230778	8 Jan 2025	Defence Bank Ltd		14 Jan 2026	14 Jan 2026	5.00	Maturity	TD	S&P BBB+	5,000,000.00	5,000,000.00	5,160,958.90



Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
LC225657	28 Nov 2024	Rabobank Australia Ltd		28 Jan 2026	28 Jan 2026	5.10	Maturity	TD	S&P A+	5,000,000.00	5,000,000.00	5,192,821.90
LX251667	14 May 2025	Westpac Banking Corporation Ltd		11 Feb 2026	11 Feb 2026	4.30	Maturity	TD	S&P ST A1+	5,000,000.00	5,000,000.00	5,064,205.50
LX234188	13 Feb 2025	Bank of China Limited, Sydney Branch		18 Feb 2026	18 Feb 2026	4.77	Maturity	TD	Moodys A1	5,000,000.00	5,000,000.00	5,130,031.50
LC217990	11 Sep 2024	Rabobank Australia Ltd		18 Feb 2026	11 Sep 2025	4.85	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,235,191.80
LC112608	20 Sep 2021	Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	AU3FN0058343	24 Feb 2026	24 Nov 2025	4.00	Quarterly	FRN	S&P AA-	5,000,000.00	5,000,000.00	5,005,650.00
LC188379	11 Dec 2023	Members Banking Group Limited t/as RACQ Bank	AU3FN0075453	24 Feb 2026	24 Nov 2025	5.05	Quarterly	FRN	Moodys Baa1	6,500,000.00	6,500,000.00	6,530,680.00
LX234189	13 Feb 2025	Bank of China Limited, Sydney Branch		25 Feb 2026	25 Feb 2026	4.77	Maturity	TD	Moodys A1	5,000,000.00	5,000,000.00	5,130,031.50
LC103543	11 Mar 2021	UBS Australia Ltd	AU3FN0058608	26 Feb 2026	26 Nov 2025	4.05	Quarterly	FRN	Moodys Aa2	18,800,000.00	18,800,000.00	18,818,988.00
LC103141	4 Mar 2021	Newcastle Greater Mutual Group Ltd	AU3FN0058699	4 Mar 2026	4 Sep 2025	4.34	Quarterly	FRN	S&P BBB+	1,000,000.00	1,000,000.00	1,010,530.00
LC164300	17 Mar 2023	Auswide Bank Limited	AU3FN0076352	17 Mar 2026	17 Sep 2025	5.21	Quarterly	FRN	Moodys Baa2	4,500,000.00	4,500,000.00	4,566,510.00
LC105450	22 Apr 2021	Credit Union Australia Ltd t/as Great Southern Bank	AU3FN0059721	22 Apr 2026	22 Oct 2025	4.37	Quarterly	FRN	Moodys Baa1	11,000,000.00	11,000,000.00	11,061,930.00
LC109088	9 Jul 2021	Bank of Queensland Ltd	AU3FN0060406	6 May 2026	6 Nov 2025	4.30	Quarterly	FRN	S&P A-	5,000,000.00	5,000,000.00	5,021,100.00
LC225658	28 Nov 2024	Rabobank Australia Ltd		20 May 2026	20 May 2026	5.10	Maturity	TD	S&P A+	5,000,000.00	5,000,000.00	5,192,821.90
LX251669	14 May 2025	Westpac Banking Corporation Ltd		27 May 2026	14 May 2026	4.38	Semi Annual	TD	S&P AA-	5,000,000.00	5,000,000.00	5,065,400.00
LX251674	14 May 2025	Westpac Banking Corporation Ltd		1 Jun 2026	14 May 2026	4.38	Semi Annual	TD	S&P AA-	5,000,000.00	5,000,000.00	5,065,400.00
LC169762	16 Jun 2023	QPCU LTD t/a QBANK	AU3FN0078895	16 Jun 2026	16 Sep 2025	5.41	Quarterly	FRN	S&P BBB-	4,500,000.00	4,500,000.00	4,589,730.00
LC137828	1 Apr 2022	Teachers Mutual Bank Ltd	AU3FN0061016	16 Jun 2026	16 Sep 2025	4.39	Quarterly	FRN	Moodys Baa1	1,700,000.00	1,700,000.00	1,717,085.00
LC109586	23 Jul 2021	Bendigo & Adelaide Bank Ltd	AU3FN0061081	18 Jun 2026	18 Sep 2025	4.35	Quarterly	FRN	S&P A-	15,300,000.00	15,300,000.00	15,457,131.00
LX259846	26 Jun 2025	National Australia Bank Ltd		1 Jul 2026	1 Jul 2026	4.02	Maturity	TD	S&P AA-	5,000,000.00	5,000,000.00	5,036,345.20
LX109029	8 Jul 2021	Bank of Queensland Ltd		8 Jul 2026	8 Oct 2025	4.16	Quarterly	FRD	Moodys A3	5,000,000.00	5,000,000.00	5,030,739.30
LX109587	22 Jul 2021	Bank of Queensland Ltd		22 Jul 2026	22 Oct 2025	4.27	Quarterly	FRD	Moodys A3	3,000,000.00	3,000,000.00	3,014,050.20
LC234191	13 Feb 2025	Rabobank Australia Ltd		5 Aug 2026	13 Feb 2026	4.78	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,130,304.10
LC234192	13 Feb 2025	Rabobank Australia Ltd		19 Aug 2026	13 Feb 2026	4.73	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,128,941.10
LC112610	20 Sep 2021	National Australia Bank Ltd	AU3FN0062659	24 Aug 2026	24 Nov 2025	3.96	Quarterly	FRN	S&P AA-	7,000,000.00	7,000,000.00	7,007,560.00
LC113804	15 Oct 2021	Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	AU3FN0062964	15 Sep 2026	15 Sep 2025	4.19	Quarterly	FRN	S&P AA-	12,900,000.00	12,900,000.00	13,021,131.00
LC180295	18 Sep 2023	QPCU LTD t/a QBANK	AU3FN0081295	18 Sep 2026	18 Sep 2025	5.35	Quarterly	FRN	S&P BBB-	9,500,000.00	9,500,000.00	9,702,540.00
LC180163	20 Sep 2023	Illawarra Credit Union Ltd	AU3FN0081287	21 Sep 2026	22 Sep 2025	5.36	Quarterly	FRN	S&P BBB-	9,000,000.00	9,000,000.00	9,091,530.00
LC190930	23 Jan 2024	Credit Union Australia Ltd t/as Great Southern Bank	AU3FN0084299	23 Oct 2026	23 Oct 2025	5.29	Quarterly	FRN	Moodys Baa1	2,500,000.00	2,500,000.00	2,540,350.00
LC116445	17 Dec 2021	Bank of Queensland Ltd	AU3FN0063764	27 Oct 2026	27 Oct 2025	4.50	Quarterly	FRN	S&P A-	22,000,000.00	22,000,000.00	22,162,580.00
LX185851	17 Nov 2023	Police Bank Ltd	AU3FN0083028	17 Nov 2026	17 Nov 2025	5.14	Quarterly	FRN	S&P BBB+	5,000,000.00	5,000,000.00	5,043,900.00
LC187340	1 Dec 2023	QPCU LTD t/a QBANK	AU3FN0083549	1 Dec 2026	1 Sep 2025	5.36	Quarterly	FRN	S&P BBB-	10,000,000.00	10,000,000.00	10,251,200.00
LC111486	26 Aug 2021	Northern Territory Treasury Corporation		15 Dec 2026	15 Dec 2025	1.40	Semi Annual	Fixed	Moodys Aa3	5,000,000.00	5,000,000.00	5,014,750.00

Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
LC116992	14 Jan 2022	Commonwealth Bank of Australia Ltd	AU3FN0065579	14 Jan 2027	14 Oct 2025	4.42	Quarterly	FRN	S&P AA-	6,500,000.00	6,500,000.00	6,563,375.00
LC117127	25 Jan 2022	Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	AU3FN0065694	25 Jan 2027	27 Oct 2025	4.50	Quarterly	FRN	S&P AA-	13,000,000.00	13,000,000.00	13,111,410.00
LC117174	25 Jan 2022	Westpac Banking Corporation Ltd	AU3FN0065702	25 Jan 2027	27 Oct 2025	4.42	Quarterly	FRN	S&P AA-	16,000,000.00	16,000,000.00	16,131,520.00
LC209063	17 Jun 2024	Bank of Queensland Ltd	AU3CB0296168	27 Jan 2027	27 Jan 2026	4.70	Semi Annual	Fixed	S&P A-	5,000,000.00	5,000,000.00	5,064,550.00
LX232795	30 Jan 2025	Australian Military Bank Limited		3 Feb 2027	3 Feb 2027	4.85	Maturity	TD	Moodys Baa1	5,000,000.00	5,000,000.00	5,141,513.70
LC181165	29 Sep 2023	Credit Union Australia Ltd t/as Great Southern Bank	AU3FN0074787	9 Feb 2027	10 Nov 2025	5.31	Quarterly	FRN	Moodys Baa1	12,500,000.00	12,500,000.00	12,702,000.00
LX232796	30 Jan 2025	Australian Military Bank Limited		10 Feb 2027	10 Feb 2027	4.85	Maturity	TD	Moodys Baa1	5,000,000.00	5,000,000.00	5,141,513.70
LX190938	19 Jan 2024	Newcastle Greater Mutual Group Ltd	AU3FN0066221	10 Feb 2027	10 Nov 2025	4.66	Quarterly	FRN	S&P BBB+	13,100,000.00	13,100,000.00	13,169,823.00
LC169102	2 Jun 2023	Bank Australia Limited	AU3FN0075461	22 Feb 2027	24 Nov 2025	5.11	Quarterly	FRN	S&P BBB+	9,250,000.00	9,250,000.00	9,345,830.00
LX242437	4 Mar 2025	Unity Bank Ltd		10 Mar 2027	10 Mar 2026	4.70	Annual	TD	S&P BBB+	5,000,000.00	5,000,000.00	5,115,890.40
LC229251	16 Dec 2024	Auswide Bank Limited	AU3FN0086104	22 Mar 2027	22 Sep 2025	5.26	Quarterly	FRN	Moodys Baa2	2,750,000.00	2,750,000.00	2,798,510.00
LC213714	6 Aug 2024	Teachers Mutual Bank Ltd	AU3FN0089132	21 Jun 2027	22 Sep 2025	4.96	Quarterly	FRN	Moodys Baa1	10,000,000.00	10,000,000.00	10,191,500.00
LC229257	16 Dec 2024	AMP Bank Ltd	AU3FN0091674	13 Sep 2027	15 Sep 2025	4.99	Quarterly	FRN	S&P BBB+	24,000,000.00	24,000,000.00	24,423,600.00
LC234197	17 Feb 2025	Credit Union Australia Ltd t/as Great Southern Bank	AU3FN0093076	1 Nov 2027	3 Nov 2025	4.72	Quarterly	FRN	Moodys Baa1	5,000,000.00	5,000,000.00	5,041,950.00
LC229250	16 Dec 2024	Police Bank Ltd	AU3FN0093423	8 Nov 2027	10 Nov 2025	4.82	Quarterly	FRN	S&P BBB+	2,000,000.00	2,000,000.00	2,008,860.00
LC207926	3 Jun 2024	Bank Australia Limited	AU3FN0085031	21 Feb 2028	21 Nov 2025	5.27	Quarterly	FRN	S&P BBB+	10,000,000.00	10,000,000.00	10,174,100.00
LX242459	4 Mar 2025	Unity Bank Ltd		8 Mar 2028	9 Mar 2026	4.80	Annual	TD	S&P BBB+	5,000,000.00	5,000,000.00	5,118,356.15
LC243357	4 Mar 2025	Maitland Mutual Ltd t/as The Mutual Bank		15 Mar 2028	4 Mar 2026	4.75	Annual	TD	S&P BBB	5,000,000.00	5,000,000.00	5,117,123.30
LC243358	4 Mar 2025	Maitland Mutual Ltd t/as The Mutual Bank		22 Mar 2028	4 Mar 2026	4.75	Annual	TD	S&P BBB	5,000,000.00	5,000,000.00	5,117,123.30
LC167397	9 May 2023	Bank of Queensland Ltd	AU3FN0077798	9 May 2028	10 Nov 2025	4.86	Quarterly	COVERED FLO	Moodys Aaa	5,000,000.00	5,000,000.00	5,070,450.00
LC179277	6 Sep 2023	UBS Australia Ltd	AU3FN0077970	12 May 2028	12 Nov 2025	5.18	Quarterly	FRN	S&P A+	7,600,000.00	7,600,000.00	7,791,520.00
LX254642	28 May 2025	Bank of China Limited, Sydney Branch		26 May 2028	26 Nov 2025	4.39	Quarterly	FRD	Moodys A1	5,000,000.00	5,000,000.00	5,003,005.55
LX257426	11 Jun 2025	Bank of China Limited, Sydney Branch		11 Jun 2028	11 Sep 2025	4.57	Quarterly	FRD	Moodys A1	10,000,000.00	10,000,000.00	10,101,525.20
LX259843	26 Jun 2025	Bank of China Limited, Sydney Branch		26 Jun 2028	26 Sep 2025	4.42	Quarterly	FRD	Moodys A1	10,000,000.00	10,000,000.00	10,079,923.30
LC142120	15 Nov 2018	NSW Treasury Corporation	AU3SG0001878	15 Nov 2028	15 Nov 2025	3.00	Semi Annual	Fixed	Moodys Aaa	15,000,000.00	15,000,000.00	14,865,600.00
LC234194	13 Feb 2025	Rabobank Australia Ltd		14 Feb 2029	13 Feb 2026	5.04	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,137,391.80
LC242475	4 Mar 2025	Rabobank Australia Ltd		7 Mar 2029	9 Mar 2026	4.87	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,120,082.20
LX251671	14 May 2025	Westpac Banking Corporation Ltd		18 Apr 2029	14 May 2026	4.35	Annual	TD	S&P AA-	5,000,000.00	5,000,000.00	5,064,952.05
LC247916	15 Apr 2025	Rabobank Australia Ltd		18 Apr 2029	20 Apr 2026	4.55	Annual	TD	S&P A+	10,000,000.00	10,000,000.00	10,168,287.70
LC247923	17 Apr 2025	Bank of Queensland Ltd	AU3FN0087201	30 Apr 2029	30 Oct 2025	4.98	Quarterly	FRN	S&P A-	8,490,000.00	8,490,000.00	8,654,366.40
LX254409	28 May 2025	ING Bank Australia Limited		9 May 2029	28 May 2026	4.27	Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,055,568.50
LX248087	17 Apr 2025	ING Bank Australia Limited	AU3FN0090288	20 Aug 2029	20 Nov 2025	4.59	Quarterly	FRN	S&P A	10,000,000.00	10,000,000.00	10,104,300.00
LC230779	8 Jan 2025	Rabobank Australia Ltd		9 Jan 2030	8 Jan 2026	5.03	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,161,924.65

Latest Deal Code	Latest Deal Settlement Date	Issuer	ISIN	WAL / Interim Maturity Date	Next Coupon Date	Coupon Rate/Latest Yield	Coupon Frequency	Security Type	Security Rating	Face Value Notional	Current Face Value Notional	Market Value
LC242496	6 Mar 2025	Newcastle Greater Mutual Group Ltd	AU3FN0094827	21 Jan 2030	21 Oct 2025	4.93	Quarterly	FRN	S&P BBB+	20,000,000.00	20,000,000.00	20,231,400.00
LC234196	13 Feb 2025	Rabobank Australia Ltd		13 Feb 2030	13 Feb 2026	5.15	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,140,390.40
LC242489	4 Mar 2025	Rabobank Australia Ltd		27 Feb 2030	27 Feb 2026	5.00	Annual	TD	S&P A+	5,000,000.00	5,000,000.00	5,123,287.65
LC259849	30 Jun 2025	National Australia Bank Ltd	AU3CB0319705	18 Mar 2030	18 Sep 2025	4.60	Semi Annual	Fixed	S&P AA-	5,000,000.00	5,000,000.00	5,189,800.00
LX251647	14 May 2025	ING Bank Australia Limited		20 Mar 2030	14 May 2026	4.37	Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,065,250.70
LX251672	14 May 2025	Westpac Banking Corporation Ltd		3 Apr 2030	14 May 2026	4.49	Annual	TD	S&P AA-	5,000,000.00	5,000,000.00	5,067,042.45
LC247918	15 Apr 2025	Rabobank Australia Ltd		3 Apr 2030	15 Apr 2026	4.75	Annual	TD	S&P A+	10,000,000.00	10,000,000.00	10,179,589.00
LX257408	11 Jun 2025	Westpac Banking Corporation Ltd		1 May 2030	11 Jun 2026	4.25	Annual	TD	S&P AA-	5,000,000.00	5,000,000.00	5,047,157.55
LX254410	28 May 2025	ING Bank Australia Limited		8 May 2030	28 May 2026	4.42	Annual	TD	S&P A	5,000,000.00	5,000,000.00	5,057,520.55
LC259864	30 Jun 2025	Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	AU3FN0098711	21 May 2030	21 Nov 2025	4.50	Quarterly	FRN	S&P AA-	25,000,000.00	25,000,000.00	25,200,000.00
										782,168,440.78	782,168,440.78	794,394,603.88
Total										782,168,440.78	782,168,440.78	794,394,603.88

Coupon Rate is the full coupon rate at the next coupon date if that next coupon exists.

2. Interest and Distribution Income Received For 1 August 2025 to 31 August 2025

Security ISIN	Security	Issuer	Income Expense Code	Settlement Date	Face Value (Basis of Interest Calculation)	**Consideration Notional**	Income Type	Trading Book
	AMP At Call	AMP Bank Ltd	IEI468444	1 Aug 2025		**25.37**	Bank Interest	Central Coast Council
	CBA At Call	Commonwealth Bank of Australia Ltd	IEI466765	1 Aug 2025		**20,800.58**	Bank Interest	Central Coast Council
AU3FN0093076	CUA 1.03 01 Nov 2027 FRN	Credit Union Australia Ltd t/as Great Southern Bank	IEI467738	5 Aug 2025	5,000,000.00	**61,875.67**	Security Coupon Interest	Central Coast Council
	RABO 5.32 06 Aug 2025 406DAY TD	Rabobank Australia Ltd	IEI367876	6 Aug 2025	5,000,000.00	**295,879.45**	Security Coupon Interest	Central Coast Council
AU3FN0073037	Auswide 1.5 07 Nov 2025 FRN	Auswide Bank Limited	IEI468511	7 Aug 2025	9,750,000.00	**130,964.46**	Security Coupon Interest	Central Coast Council
AU3FN0060406	BOQ 0.63 06 May 2026 FRN	Bank of Queensland Ltd	IEI468418	7 Aug 2025	5,000,000.00	**56,419.95**	Security Coupon Interest	Central Coast Council
AU3FN0093423	PCU 1.15 08 Nov 2027 FRN	Police Bank Ltd	IEI468548	8 Aug 2025	2,000,000.00	**25,053.24**	Security Coupon Interest	Central Coast Council
AU3FN0077798	BOQ 1.2 09 May 2028 COVEREDFLO	Bank of Queensland Ltd	IEI469358	11 Aug 2025	5,000,000.00	**64,507.18**	Security Coupon Interest	Central Coast Council
AU3FN0074787	CUA 1.65 09 Feb 2027 FRN	Credit Union Australia Ltd t/as Great Southern Bank	IEI469357	11 Aug 2025	12,500,000.00	**175,754.25**	Security Coupon Interest	Central Coast Council
AU3FN0066221	NPBS 1 10 Feb 2027 FRN	Newcastle Greater Mutual Group Ltd	IEI469356	11 Aug 2025	13,100,000.00	**156,779.11**	Security Coupon Interest	Central Coast Council
AU3FN0077970	UBS Aust 1.55 12 May 2028 FRN	UBS Australia Ltd	IEI469698	12 Aug 2025	7,600,000.00	**102,491.23**	Security Coupon Interest	Central Coast Council
	BBA 5.15 13 Aug 2025 279DAY TD	Beyond Bank Australia Ltd	IEI391789	13 Aug 2025	5,000,000.00	**196,828.77**	Security Coupon Interest	Central Coast Council
AU3FN0083028	PCU 1.55 17 Nov 2026 FRN	Police Bank Ltd	IEI471588	18 Aug 2025	5,000,000.00	**66,786.52**	Security Coupon Interest	Central Coast Council
AU3FN0090288	ING 1.02 20 Aug 2029 FRN	ING Bank Australia Limited	IEI473383	20 Aug 2025	10,000,000.00	**121,346.74**	Security Coupon Interest	Central Coast Council
	Unity 5.35 20 Aug 2025 433DAY TD	Unity Bank Ltd	IEI474229	20 Aug 2025	5,000,000.00	**49,835.62**	Security Coupon Interest	Central Coast Council
AU3FN0085031	BAL 1.7 21 Feb 2028 FRN	Bank Australia Limited	IEI473936	21 Aug 2025	10,000,000.00	**136,928.77**	Security Coupon Interest	Central Coast Council
AU3FN0098711	SunBank 0.93 21 May 2030 FRN	Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	IEI473937	21 Aug 2025	25,000,000.00	**293,801.37**	Security Coupon Interest	Central Coast Council
AU3FN0075461	BAL 1.55 22 Feb 2027 FRN	Bank Australia Limited	IEI474157	22 Aug 2025	9,250,000.00	**123,110.56**	Security Coupon Interest	Central Coast Council
AU3FN0062659	NAB 0.41 24 Aug 2026 FRN	National Australia Bank Ltd	IEI474667	25 Aug 2025	7,000,000.00	**71,893.74**	Security Coupon Interest	Central Coast Council
AU3FN0075453	RACB 1.5 24 Feb 2026 FRN	Members Banking Group Limited t/as RACQ Bank	IEI474668	25 Aug 2025	6,500,000.00	**84,422.45**	Security Coupon Interest	Central Coast Council
AU3FN0058343	SunBank 0.45 24 Feb 2026 FRN	Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	IEI474666	25 Aug 2025	5,000,000.00	**51,851.30**	Security Coupon Interest	Central Coast Council
	BOCSYD 0.84 26 May 2028 1094DAY FRD	Bank of China Limited, Sydney Branch	IEI445979	26 Aug 2025	5,000,000.00	**55,849.32**	Security Coupon Interest	Central Coast Council
AU3FN0058608	UBS Aust 0.5 26 Feb 2026 FRN	UBS Australia Ltd	IEI474964	26 Aug 2025	18,800,000.00	**199,472.64**	Security Coupon Interest	Central Coast Council
	BBA 5.15 27 Aug 2025 293DAY TD	Beyond Bank Australia Ltd	IEI391790	27 Aug 2025	5,000,000.00	**206,705.48**	Security Coupon Interest	Central Coast Council
						2,749,383.77		

3. Acquisitions, Disposals and Maturities Between 1 August 2025 and 31 August 2025

Security	Issuer	Security ISIN	Deal Code	Acquisition/ Disposal	Transaction Date	Settlement Date	Face Value Original	Face Value Current	Bond Factor	Capital Price	Accrued Interest Price	Gross Price	**Consideration Notional**
CBA At Call	Commonwealth Bank of Australia Ltd		LC265032	Acquisition	1 Aug 2025	1 Aug 2025	3,300,000.00	3,300,000.00	1.00000000	100.000	0.000	100.000	**3,300,000.00**
CBA At Call	Commonwealth Bank of Australia Ltd		LC265033	Acquisition	1 Aug 2025	1 Aug 2025	20,800.58	20,800.58	1.00000000	100.000	0.000	100.000	**20,800.58**
AMP At Call	AMP Bank Ltd		LC265462	Acquisition	1 Aug 2025	1 Aug 2025	25.37	25.37	1.00000000	100.000	0.000	100.000	**25.37**
RABO 5.32 06 Aug 2025 406DAY TD	Rabobank Australia Ltd		LC210145	Maturity	6 Aug 2025		5,000,000.00	5,000,000.00	1.00000000	100.000	0.000	100.000	**(5,000,000.00)**
CBA At Call	Commonwealth Bank of Australia Ltd		LC267296	Acquisition	11 Aug 2025	11 Aug 2025	10,000,000.00	10,000,000.00	1.00000000	100.000	0.000	100.000	**10,000,000.00**
CBA At Call	Commonwealth Bank of Australia Ltd		LC267297	Acquisition	11 Aug 2025	11 Aug 2025	10,000,000.00	10,000,000.00	1.00000000	100.000	0.000	100.000	**10,000,000.00**
BBA 5.15 13 Aug 2025 279DAY TD	Beyond Bank Australia Ltd		LC223234	Maturity	13 Aug 2025		5,000,000.00	5,000,000.00	1.00000000	100.000	0.000	100.000	**(5,000,000.00)**
Unity 5.35 20 Aug 2025 433DAY TD	Unity Bank Ltd		LX209091	Maturity	20 Aug 2025		5,000,000.00	5,000,000.00	1.00000000	100.000	0.000	100.000	**(5,000,000.00)**
BBA 5.15 27 Aug 2025 293DAY TD	Beyond Bank Australia Ltd		LC223235	Maturity	27 Aug 2025		5,000,000.00	5,000,000.00	1.00000000	100.000	0.000	100.000	**(5,000,000.00)**
													3,320,825.95

Notes
1. The maturity of 'MBS' type securities are excluded from the above list
2. At maturity, securities are assumed to be priced at capital price = 100, accrued interest = 0
3. To avoid misleading maturity data, the reporting period should start immediately after a month end and the reporting period should be kept small (e.g. 1 month).

4. Interest Income Accrued As At 31 August 2025

Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	**Face Value Notional**	**Current Face Value Notional**	Latest Purchase Consideration	Market Value	Accrued Interest
LC265462	AMP At Call	1 Sep 2025	31 Oct 2020	13 Aug 2025		18	3.6000		Nil	**6,662.79**	**6,662.79**	25.37	6,662.79	11.83
LC267297	CBA At Call	1 Sep 2025	31 Oct 2020	30 Sep 2023		701	4.1000		Nil	**28,391,777.99**	**28,391,777.99**	10,000,000.00	28,391,777.99	2,235,638.61
LX225649	DFB 5.09 03 Sep 2025 279DAY TD	3 Sep 2025	28 Nov 2024		3 Sep 2025	276	5.0900		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,192,443.85	192,443.84
LC218018	ING 4.95 10 Sep 2025 364DAY TD	10 Sep 2025	11 Sep 2024		10 Sep 2025	354	4.9500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,240,041.10	240,041.10
LX209092	G&C MB 5.35 17 Sep 2025 461DAY TD	17 Sep 2025	13 Jun 2024	13 Jun 2025	17 Sep 2025	79	5.3500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,057,897.25	57,897.26
LC190925	JUDO 6.4 26 Sep 2025 Fixed	26 Sep 2025	26 Sep 2022	26 Mar 2025	26 Sep 2025	158	6.4000		Semi Annual	**8,630,000.00**	**8,630,000.00**	3,705,830.70	8,876,213.90	239,086.47
LC230775	AMP 5.05 01 Oct 2025 266DAY TD	1 Oct 2025	8 Jan 2025		1 Oct 2025	235	5.0500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,162,568.50	162,568.49
LX230777	Auswide 5 08 Oct 2025 273DAY TD	8 Oct 2025	8 Jan 2025		8 Oct 2025	235	5.0000		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,160,958.90	160,958.90
LX220905	ING 5.03 08 Oct 2025 356DAY TD	8 Oct 2025	17 Oct 2024		8 Oct 2025	318	5.0300		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,219,115.05	219,115.07
LC155063	MYS 1.3 13 Oct 2025 FRN	13 Oct 2025	13 Oct 2022	14 Jul 2025	13 Oct 2025	48	5.0168		Quarterly	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,074,200.00	65,974.36
LC247974	BENAU 4.55 15 Oct 2025 183DAY TD	15 Oct 2025	15 Apr 2025		15 Oct 2025	138	4.5500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,086,013.70	86,013.70
LX247920	BOQ 4.68 22 Oct 2025 190DAY TD	22 Oct 2025	15 Apr 2025		22 Oct 2025	138	4.6800		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,088,471.25	88,471.23
LX220906	ING 5.03 22 Oct 2025 370DAY TD	22 Oct 2025	17 Oct 2024		22 Oct 2025	318	5.0300		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,219,115.05	219,115.07
LC181158	TMB 1.5 28 Oct 2025 FRN	28 Oct 2025	28 Oct 2022	28 Jul 2025	28 Oct 2025	34	5.2010		Quarterly	**2,000,000.00**	**2,000,000.00**	2,033,180.00	2,013,260.00	9,689.53
LX247919	BOCSYD 4.62 29 Oct 2025 197DAY TD	29 Oct 2025	15 Apr 2025		29 Oct 2025	138	4.6200		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,087,337.00	87,336.99
LC188385	Auswide 1.5 07 Nov 2025 FRN	7 Nov 2025	7 Nov 2022	7 Aug 2025	7 Nov 2025	24	5.1906		Quarterly	**9,750,000.00**	**9,750,000.00**	2,518,275.00	9,795,825.00	33,276.72
LC223313	ING 5.1 12 Nov 2025 370DAY TD	12 Nov 2025	7 Nov 2024		7 Nov 2025	297	5.1000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,207,493.15	207,493.15
LC208078	BVIC 5.25 19 Nov 2025 538DAY TD	19 Nov 2025	30 May 2024		19 Nov 2025	458	5.2500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,329,383.55	329,383.56
LC223315	ING 5.1 26 Nov 2025 384DAY TD	26 Nov 2025	7 Nov 2024		7 Nov 2025	297	5.1000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,207,493.15	207,493.15
LC254436	BENAU 4.25 01 Dec 2025 187DAY TD	1 Dec 2025	28 May 2025		1 Dec 2025	95	4.2500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,055,308.20	55,308.22
LC157929	CUA 1.58 01 Dec 2025 FRN	1 Dec 2025	1 Dec 2022	2 Jun 2025	1 Sep 2025	90	5.2850		Quarterly	**3,500,000.00**	**3,500,000.00**	3,500,000.00	3,554,985.00	45,610.27
LC112609	BENAU 0.52 02 Dec 2025 FRN	2 Dec 2025	2 Dec 2020	2 Jun 2025	2 Sep 2025	90	4.2250		Quarterly	**35,500,000.00**	**35,500,000.00**	4,512,240.00	35,869,910.00	369,832.19
LC157906	Qld Police 1.75 06 Dec 2025 FRN	6 Dec 2025	6 Dec 2022	6 Jun 2025	8 Sep 2025	86	5.4575		Quarterly	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,162,700.00	128,587.67
LX229252	Auswide 5.1 11 Dec 2025 364DAY TD	11 Dec 2025	12 Dec 2024		11 Dec 2025	262	5.1000		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,183,041.10	183,041.10
LX225654	ING 5.11 19 Dec 2025 386DAY TD	19 Dec 2025	28 Nov 2024		19 Dec 2025	276	5.1100		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,193,200.00	193,200.00
LC223316	ING 5.1 19 Dec 2025 407DAY TD	19 Dec 2025	7 Nov 2024		7 Nov 2025	297	5.1000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,207,493.15	207,493.15
LX225655	ING 5.11 24 Dec 2025 391DAY TD	24 Dec 2025	28 Nov 2024		24 Dec 2025	276	5.1100		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,193,200.00	193,200.00
LC223317	ING 5.1 07 Jan 2026 426DAY TD	7 Jan 2026	7 Nov 2024		7 Nov 2025	297	5.1000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,207,493.15	207,493.15
LX230778	DFB 5 14 Jan 2026 371DAY TD	14 Jan 2026	8 Jan 2025		14 Jan 2026	235	5.0000		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,160,958.90	160,958.90
LC225657	RABO 5.1 28 Jan 2026 426DAY TD	28 Jan 2026	28 Nov 2024		28 Jan 2026	276	5.1000		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,192,821.90	192,821.92
LX251667	Westpac 4.3 11 Feb 2026 273DAY TD	11 Feb 2026	14 May 2025		11 Feb 2026	109	4.3000		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,064,205.50	64,205.48
LX234188	BOCSYD 4.77 18 Feb 2026 370DAY TD	18 Feb 2026	13 Feb 2025		18 Feb 2026	199	4.7700		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,130,031.50	130,031.51
LC217990	RABO 4.85 18 Feb 2026 525DAY TD	18 Feb 2026	11 Sep 2024		11 Sep 2025	354	4.8500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,235,191.80	235,191.78

Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	**Face Value Notional**	**Current Face Value Notional**	Latest Purchase Consideration	Market Value	Accrued Interest
LC112608	SunBank 0.45 24 Feb 2026 FRN	24 Feb 2026	24 Feb 2021	25 Aug 2025	24 Nov 2025	6	4.0047		Quarterly	**5,000,000.00**	**5,000,000.00**	5,010,350.00	5,005,650.00	3,291.53
LC188379	RACB 1.5 24 Feb 2026 FRN	24 Feb 2026	24 Feb 2023	25 Aug 2025	24 Nov 2025	6	5.0547		Quarterly	**6,500,000.00**	**6,500,000.00**	2,758,855.00	6,530,680.00	5,400.91
LX234189	BOCSYD 4.77 25 Feb 2026 377DAY TD	25 Feb 2026	13 Feb 2025		25 Feb 2026	199	4.7700		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,130,031.50	130,031.51
LC103543	UBS Aust 0.5 26 Feb 2026 FRN	26 Feb 2026	26 Feb 2021	26 Aug 2025	26 Nov 2025	5	4.0481		Quarterly	**18,800,000.00**	**18,800,000.00**	12,013,800.00	18,818,988.00	10,425.24
LC103141	NPBS 0.63 04 Mar 2026 FRN	4 Mar 2026	4 Mar 2021	4 Jun 2025	4 Sep 2025	88	4.3414		Quarterly	**1,000,000.00**	**1,000,000.00**	1,002,420.00	1,010,530.00	10,466.94
LC164300	Auswide 1.5 17 Mar 2026 FRN	17 Mar 2026	17 Mar 2023	17 Jun 2025	17 Sep 2025	75	5.2119		Quarterly	**4,500,000.00**	**4,500,000.00**	4,500,000.00	4,566,510.00	48,192.23
LC105450	CUA 0.68 22 Apr 2026 FRN	22 Apr 2026	22 Apr 2021	22 Jul 2025	22 Oct 2025	40	4.3736		Quarterly	**11,000,000.00**	**11,000,000.00**	11,000,000.00	11,061,930.00	52,722.85
LC109088	BOQ 0.63 06 May 2026 FRN	6 May 2026	6 May 2021	6 Aug 2025	6 Nov 2025	25	4.2961		Quarterly	**5,000,000.00**	**5,000,000.00**	5,026,950.00	5,021,100.00	14,712.67
LC225658	RABO 5.1 20 May 2026 538DAY TD	20 May 2026	28 Nov 2024		20 May 2026	276	5.1000		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,192,821.90	192,821.92
LX251669	Westpac 4.38 27 May 2026 378DAY TD	27 May 2026	14 May 2025		14 May 2026	109	4.3800		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,065,400.00	65,400.00
LX251674	Westpac 4.38 01 Jun 2026 383DAY TD	1 Jun 2026	14 May 2025		14 May 2026	109	4.3800		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,065,400.00	65,400.00
LC169762	Qld Police 1.7 16 Jun 2026 FRN	16 Jun 2026	16 Jun 2023	16 Jun 2025	16 Sep 2025	76	5.4138		Quarterly	**4,500,000.00**	**4,500,000.00**	4,500,000.00	4,589,730.00	50,726.56
LC137828	TMB 0.68 16 Jun 2026 FRN	16 Jun 2026	16 Jun 2021	16 Jun 2025	16 Sep 2025	76	4.3938		Quarterly	**1,700,000.00**	**1,700,000.00**	1,674,194.00	1,717,085.00	15,552.85
LC109586	BENAU 0.65 18 Jun 2026 FRN	18 Jun 2026	18 Jun 2021	18 Jun 2025	18 Sep 2025	74	4.3494		Quarterly	**15,300,000.00**	**15,300,000.00**	3,019,110.00	15,457,131.00	134,914.81
LX259846	NAB 4.02 01 Jul 2026 370DAY TD	1 Jul 2026	26 Jun 2025		1 Jul 2026	66	4.0200		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,036,345.20	36,345.21
LX109029	BOQ 0.58 08 Jul 2026 1826DAY FRD	8 Jul 2026	8 Jul 2021	8 Jul 2025	8 Oct 2025	54	4.1555		Quarterly	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,030,739.30	30,739.32
LX109587	BOQ 0.58 22 Jul 2026 1826DAY FRD	22 Jul 2026	22 Jul 2021	22 Jul 2025	22 Oct 2025	40	4.2736		Quarterly	**3,000,000.00**	**3,000,000.00**	3,000,000.00	3,014,050.20	14,050.19
LC234191	RABO 4.78 05 Aug 2026 538DAY TD	5 Aug 2026	13 Feb 2025		13 Feb 2026	199	4.7800		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,130,304.10	130,304.11
LC234192	RABO 4.73 19 Aug 2026 552DAY TD	19 Aug 2026	13 Feb 2025		13 Feb 2026	199	4.7300		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,128,941.10	128,941.10
LC112610	NAB 0.41 24 Aug 2026 FRN	24 Aug 2026	24 Aug 2021	25 Aug 2025	24 Nov 2025	6	3.9647		Quarterly	**7,000,000.00**	**7,000,000.00**	7,012,180.00	7,007,560.00	4,562.12
LC113804	SunBank 0.48 15 Sep 2026 FRN	15 Sep 2026	15 Sep 2021	16 Jun 2025	15 Sep 2025	76	4.1938		Quarterly	**12,900,000.00**	**12,900,000.00**	9,989,800.00	13,021,131.00	112,646.62
LC180295	Qld Police 1.65 18 Sep 2026 FRN	18 Sep 2026	18 Sep 2023	18 Jun 2025	18 Sep 2025	74	5.3494		Quarterly	**9,500,000.00**	**9,500,000.00**	9,500,000.00	9,702,540.00	103,030.91
LC180163	CACU 1.7 21 Sep 2026 FRN	21 Sep 2026	20 Sep 2023	23 Jun 2025	22 Sep 2025	69	5.3639		Quarterly	**9,000,000.00**	**9,000,000.00**	9,000,000.00	9,091,530.00	91,259.78
LC190930	CUA 1.6 23 Oct 2026 FRN	23 Oct 2026	23 Jan 2024	23 Jul 2025	23 Oct 2025	39	5.2900		Quarterly	**2,500,000.00**	**2,500,000.00**	2,506,975.00	2,540,350.00	14,130.82
LC116445	BOQ 0.8 27 Oct 2026 FRN	27 Oct 2026	27 Oct 2021	28 Jul 2025	27 Oct 2025	34	4.5010		Quarterly	**22,000,000.00**	**22,000,000.00**	15,059,400.00	22,162,580.00	92,239.67
LX185851	PCU 1.55 17 Nov 2026 FRN	17 Nov 2026	17 Nov 2023	18 Aug 2025	17 Nov 2025	13	5.1400		Quarterly	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,043,900.00	9,153.42
LC187340	Qld Police 1.65 01 Dec 2026 FRN	1 Dec 2026	1 Dec 2023	2 Jun 2025	1 Sep 2025	90	5.3550		Quarterly	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,251,200.00	132,041.10
LC111486	NTTC 1.4 15 Dec 2026 - Issued 26 August 2021 - CCC Fixed	15 Dec 2026	26 Aug 2021	15 Jun 2025	15 Dec 2025	77	1.4000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,014,750.00	14,767.12
LC116992	CBA 0.7 14 Jan 2027 FRN	14 Jan 2027	14 Jan 2022	14 Jul 2025	14 Oct 2025	48	4.4168		Quarterly	**6,500,000.00**	**6,500,000.00**	6,500,000.00	6,563,375.00	37,754.56
LC117127	SunBank 0.78 25 Jan 2027 FRN	25 Jan 2027	25 Jan 2022	25 Jul 2025	27 Oct 2025	37	4.4997		Quarterly	**13,000,000.00**	**13,000,000.00**	13,000,000.00	13,111,410.00	59,297.42
LC117174	Westpac 0.7 25 Jan 2027 FRN	25 Jan 2027	25 Jan 2022	25 Jul 2025	27 Oct 2025	37	4.4197		Quarterly	**16,000,000.00**	**16,000,000.00**	16,000,000.00	16,131,520.00	71,683.90
LC209063	BOQ 4.7 27 Jan 2027 Fixed	27 Jan 2027	27 Jan 2023	27 Jul 2025	27 Jan 2026	35	4.7000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,039,500.00	5,064,550.00	22,534.25
LX232795	AMB 4.85 03 Feb 2027 734DAY TD	3 Feb 2027	30 Jan 2025		3 Feb 2027	213	4.8500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,141,513.70	141,513.70
LC181165	CUA 1.65 09 Feb 2027 FRN	9 Feb 2027	9 Feb 2023	11 Aug 2025	10 Nov 2025	20	5.3077		Quarterly	**12,500,000.00**	**12,500,000.00**	7,646,550.00	12,702,000.00	36,354.11

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LX232796	AMB 4.85 10 Feb 2027 741DAY TD	10 Feb 2027	30 Jan 2025		10 Feb 2027	213	4.8500		Maturity	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,141,513.70	141,513.70
LX190938	NPBS 1 10 Feb 2027 FRN	10 Feb 2027	10 Feb 2022	11 Aug 2025	10 Nov 2025	20	4.6577		Quarterly	**13,100,000.00**	**13,100,000.00**	9,991,700.00	13,169,823.00	33,433.35
LC169102	BAL 1.55 22 Feb 2027 FRN	22 Feb 2027	22 Feb 2023	22 Aug 2025	24 Nov 2025	9	5.1091		Quarterly	**9,250,000.00**	**9,250,000.00**	4,287,995.00	9,345,830.00	11,652.95
LX242437	G&C MB 4.7 10 Mar 2027 736DAY TD	10 Mar 2027	4 Mar 2025		10 Mar 2026	180	4.7000		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,115,890.40	115,890.41
LC229251	Auswide 1.6 22 Mar 2027 FRN	22 Mar 2027	22 Mar 2024	23 Jun 2025	22 Sep 2025	69	5.2639		Quarterly	**2,750,000.00**	**2,750,000.00**	2,775,657.50	2,798,510.00	27,365.07
LC213714	TMB 1.3 21 Jun 2027 FRN	21 Jun 2027	21 Jun 2024	23 Jun 2025	22 Sep 2025	69	4.9639		Quarterly	**10,000,000.00**	**10,000,000.00**	10,114,900.00	10,191,500.00	93,838.11
LC229257	AMP 1.27 13 Sep 2027 FRN	13 Sep 2027	13 Sep 2024	13 Jun 2025	15 Sep 2025	79	4.9875		Quarterly	**24,000,000.00**	**24,000,000.00**	9,052,290.00	24,423,600.00	259,076.71
LC234197	CUA 1.03 01 Nov 2027 FRN	1 Nov 2027	1 Nov 2024	1 Aug 2025	3 Nov 2025	30	4.7199		Quarterly	**5,000,000.00**	**5,000,000.00**	5,031,800.00	5,041,950.00	19,396.85
LC229250	PCU 1.15 08 Nov 2027 FRN	8 Nov 2027	8 Nov 2024	8 Aug 2025	10 Nov 2025	23	4.8175		Quarterly	**2,000,000.00**	**2,000,000.00**	2,016,420.00	2,008,860.00	6,071.37
LC207926	BAL 1.7 21 Feb 2028 FRN	21 Feb 2028	21 Feb 2024	21 Aug 2025	21 Nov 2025	10	5.2716		Quarterly	**10,000,000.00**	**10,000,000.00**	10,114,700.00	10,174,100.00	14,442.74
LX242459	G&C MB 4.8 08 Mar 2028 1100DAY TD	8 Mar 2028	4 Mar 2025		9 Mar 2026	180	4.8000		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,118,356.15	118,356.16
LC243357	MMB 4.75 15 Mar 2028 1107DAY TD	15 Mar 2028	4 Mar 2025		4 Mar 2026	180	4.7500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,117,123.30	117,123.29
LC243358	MMB 4.75 22 Mar 2028 1114DAY TD	22 Mar 2028	4 Mar 2025		4 Mar 2026	180	4.7500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,117,123.30	117,123.29
LC167397	BOQ 1.2 09 May 2028 COVEREDFLO	9 May 2028	9 May 2023	11 Aug 2025	10 Nov 2025	20	4.8577		Quarterly	**5,000,000.00**	**5,000,000.00**	5,022,250.00	5,070,450.00	13,308.77
LC179277	UBS Aust 1.55 12 May 2028 FRN	12 May 2028	12 May 2023	12 Aug 2025	12 Nov 2025	19	5.1842		Quarterly	**7,600,000.00**	**7,600,000.00**	5,090,950.00	7,791,520.00	20,509.55
LX254642	BOCSYD 0.84 26 May 2028 1094DAY FRD	26 May 2028	28 May 2025	26 Aug 2025	26 Nov 2025	5	4.3881		Quarterly	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,003,005.55	3,005.55
LX257426	BOCSYD 0.84 11 Jun 2028 1096DAY FRD	11 Jun 2028	11 Jun 2025		11 Sep 2025	81	4.5749		Quarterly	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,101,525.20	101,525.18
LX259843	BOCSYD 0.8 26 Jun 2028 1096DAY FRD	26 Jun 2028	26 Jun 2025		26 Sep 2025	66	4.4200		Quarterly	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,079,923.30	79,923.29
LC142120	NSWTC 3 15 Nov 2028 Fixed	15 Nov 2028	15 Nov 2018	15 May 2025	15 Nov 2025	108	3.0000		Semi Annual	**15,000,000.00**	**15,000,000.00**	14,700,900.00	14,865,600.00	133,150.68
LC234194	RABO 5.04 14 Feb 2029 1462DAY TD	14 Feb 2029	13 Feb 2025		13 Feb 2026	199	5.0400		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,137,391.80	137,391.78
LC242475	RABO 4.87 07 Mar 2029 1464DAY TD	7 Mar 2029	4 Mar 2025		9 Mar 2026	180	4.8700		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,120,082.20	120,082.19
LX251671	Westpac 4.35 18 Apr 2029 1435DAY TD	18 Apr 2029	14 May 2025		14 May 2026	109	4.3500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,064,952.05	64,952.05
LC247916	RABO 4.55 18 Apr 2029 1464DAY TD	18 Apr 2029	15 Apr 2025	18 Apr 2025	20 Apr 2026	135	4.5500		Annual	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,168,287.70	168,287.67
LC247923	BOQ 1.28 30 Apr 2029 FRN	30 Apr 2029	30 Apr 2024	30 Jul 2025	30 Oct 2025	32	4.9818		Quarterly	**8,490,000.00**	**8,490,000.00**	8,636,197.80	8,654,366.40	37,080.97
LX254409	ING 4.27 09 May 2029 1442DAY TD	9 May 2029	28 May 2025		28 May 2026	95	4.2700		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,055,568.50	55,568.49
LX248087	ING 1.02 20 Aug 2029 FRN	20 Aug 2029	20 Aug 2024	20 Aug 2025	20 Nov 2025	11	4.5925		Quarterly	**10,000,000.00**	**10,000,000.00**	10,095,400.00	10,104,300.00	13,840.41
LC230779	RABO 5.03 09 Jan 2030 1827DAY TD	9 Jan 2030	8 Jan 2025		8 Jan 2026	235	5.0300		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,161,924.65	161,924.66
LC242496	NPBS 1.25 21 Jan 2030 FRN	21 Jan 2030	21 Jan 2025	21 Jul 2025	21 Oct 2025	41	4.9317		Quarterly	**20,000,000.00**	**20,000,000.00**	10,156,300.00	20,231,400.00	110,794.36
LC234196	RABO 5.15 13 Feb 2030 1826DAY TD	13 Feb 2030	13 Feb 2025		13 Feb 2026	199	5.1500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,140,390.40	140,390.41
LC242489	RABO 5 27 Feb 2030 1821DAY TD	27 Feb 2030	4 Mar 2025		27 Feb 2026	180	5.0000		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,123,287.65	123,287.67
LC259849	NAB 4.6 18 Mar 2030 Fixed	18 Mar 2030	18 Mar 2025		18 Sep 2025	166	4.6000		Semi Annual	**5,000,000.00**	**5,000,000.00**	5,177,400.00	5,189,800.00	104,602.74
LX251647	ING 4.37 20 Mar 2030 1771DAY TD	20 Mar 2030	14 May 2025		14 May 2026	109	4.3700		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,065,250.70	65,250.68
LX251672	Westpac 4.49 03 Apr 2030 1785DAY TD	3 Apr 2030	14 May 2025		14 May 2026	109	4.4900		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,067,042.45	67,042.47

Latest Deal Code	Security	WAL / Interim Maturity Date	Issue Date	Prior Coupon Date	Next Coupon Date	Accrual Period (Days)	Coupon Rate	Franking Credit Rate	Coupon Frequency	**Face Value Notional**	**Current Face Value Notional**	Latest Purchase Consideration	Market Value	Accrued Interest
LC247918	RABO 4.75 03 Apr 2030 1814DAY TD	3 Apr 2030	15 Apr 2025		15 Apr 2026	138	4.7500		Annual	**10,000,000.00**	**10,000,000.00**	10,000,000.00	10,179,589.00	179,589.04
LX257408	Westpac 4.25 01 May 2030 1785DAY TD	1 May 2030	11 Jun 2025		11 Jun 2026	81	4.2500		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,047,157.55	47,157.53
LX254410	ING 4.42 08 May 2030 1806DAY TD	8 May 2030	28 May 2025		28 May 2026	95	4.4200		Annual	**5,000,000.00**	**5,000,000.00**	5,000,000.00	5,057,520.55	57,520.55
LC259864	SunBank 0.93 21 May 2030 FRN	21 May 2030	21 May 2025	21 Aug 2025	21 Nov 2025	10	4.5016		Quarterly	**25,000,000.00**	**25,000,000.00**	10,100,400.00	25,200,000.00	30,832.88
										782,168,440.78	**782,168,440.78**		794,394,603.88	12,404,697.39

Notes:
1. Coupon Rate is the full coupon rate at the next coupon date if that next coupon exists.
2. Accrued Interest is calculated as Current Face Value x Coupon Rate (Adjusted by Franking Credit Rate) x (Days Since Prior Coupon or Issue Date / 365).
3. The accrued interest component of the Market Value does not consider the franking credit rate and is instead based upon market prices.
4. Immaterial differences in Accrued Interest and the accrued interest portion of Market Value may arise because Market Value is calculated using a rounded "price per 100" value.

5. Portfolio Valuation As At 31 August 2025

	Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	**Market Value**	% Total Value	Running Yield	Weighted Running Yield
At Call Deposit												
	AMP At Call	S&P BBB+		6,662.79	6,662.79	100.000		0.000	**6,662.79**	0.00%	3.60%	
	CBA At Call	S&P AA-		28,391,777.99	28,391,777.99	100.000		0.000	**28,391,777.99**	3.57%	4.10%	
				28,398,440.78	28,398,440.78				**28,398,440.78**	3.57%		4.10%
Covered Floating Bond												
	BOQ 1.2 09 May 2028 COVEREDFLO	Moodys Aaa	AU3FN0077798	5,000,000.00	5,000,000.00	101.143		0.266	**5,070,450.00**	0.64%	4.84%	
				5,000,000.00	5,000,000.00				**5,070,450.00**	0.64%		4.84%
Fixed Rate Bond												
	BOQ 4.7 27 Jan 2027 Fixed	S&P A-	AU3CB0296168	5,000,000.00	5,000,000.00	100.844		0.447	**5,064,550.00**	0.64%	4.75%	
	JUDO 6.4 26 Sep 2025 Fixed	S&P BBB	AU3CB0292480	8,630,000.00	8,630,000.00	100.105		2.748	**8,876,213.90**	1.12%	6.36%	
	NAB 4.6 18 Mar 2030 Fixed	S&P AA-	AU3CB0319705	5,000,000.00	5,000,000.00	101.721		2.075	**5,189,800.00**	0.65%	4.50%	
	NTTC 1.4 15 Dec 2026 - Issued 26 August 2021 - CCC Fixed	Moodys Aa3		5,000,000.00	5,000,000.00	100.000		0.295	**5,014,750.00**	0.63%	1.40%	
	NSWTC 3 15 Nov 2028 Fixed	Moodys Aaa	AU3SG0001878	15,000,000.00	15,000,000.00	98.224		0.880	**14,865,600.00**	1.87%	3.06%	
				38,630,000.00	38,630,000.00				**39,010,913.90**	4.91%		4.00%
Floating Rate Deposit												
	BOCSYD 0.84 26 May 2028 1094DAY FRD	Moodys A1		5,000,000.00	5,000,000.00	100.000		0.060	**5,003,005.55**	0.63%	4.39%	
	BOCSYD 0.84 11 Jun 2028 1096DAY FRD	Moodys A1		10,000,000.00	10,000,000.00	100.000		1.015	**10,101,525.20**	1.27%	4.57%	
	BOCSYD 0.8 26 Jun 2028 1096DAY FRD	Moodys A1		10,000,000.00	10,000,000.00	100.000		0.799	**10,079,923.30**	1.27%	4.42%	
	BOQ 0.58 08 Jul 2026 1826DAY FRD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		0.615	**5,030,739.30**	0.63%	4.16%	
	BOQ 0.58 22 Jul 2026 1826DAY FRD	S&P ST A2		3,000,000.00	3,000,000.00	100.000		0.468	**3,014,050.20**	0.38%	4.27%	
				33,000,000.00	33,000,000.00				**33,229,243.55**	4.18%		4.41%
Floating Rate Note												
	AMP 1.27 13 Sep 2027 FRN	S&P BBB+	AU3FN0091674	24,000,000.00	24,000,000.00	100.686		1.079	**24,423,600.00**	3.07%	4.96%	
	Auswide 1.5 07 Nov 2025 FRN	Moodys Baa2	AU3FN0073037	9,750,000.00	9,750,000.00	100.129		0.341	**9,795,825.00**	1.23%	5.19%	
	Auswide 1.5 17 Mar 2026 FRN	Moodys Baa2	AU3FN0076352	4,500,000.00	4,500,000.00	100.407		1.071	**4,566,510.00**	0.57%	5.21%	
	Auswide 1.6 22 Mar 2027 FRN	Moodys Baa2	AU3FN0086104	2,750,000.00	2,750,000.00	100.769		0.995	**2,798,510.00**	0.35%	5.21%	
	BAL 1.55 22 Feb 2027 FRN	S&P BBB+	AU3FN0075461	9,250,000.00	9,250,000.00	100.910		0.126	**9,345,830.00**	1.18%	5.08%	
	BAL 1.7 21 Feb 2028 FRN	S&P BBB+	AU3FN0085031	10,000,000.00	10,000,000.00	101.597		0.144	**10,174,100.00**	1.28%	5.22%	
	BOQ 0.63 06 May 2026 FRN	S&P A-	AU3FN0060406	5,000,000.00	5,000,000.00	100.128		0.294	**5,021,100.00**	0.63%	4.28%	
	BOQ 0.8 27 Oct 2026 FRN	S&P A-	AU3FN0063764	22,000,000.00	22,000,000.00	100.320		0.419	**22,162,580.00**	2.79%	4.49%	
	BOQ 1.28 30 Apr 2029 FRN	S&P A-	AU3FN0087201	8,490,000.00	8,490,000.00	101.499		0.437	**8,654,366.40**	1.09%	4.95%	
	BENAU 0.52 02 Dec 2025 FRN	S&P A-	AU3FN0057634	35,500,000.00	35,500,000.00	100.000		1.042	**35,869,910.00**	4.52%	4.21%	
	BENAU 0.65 18 Jun 2026 FRN	S&P A-	AU3FN0061081	15,300,000.00	15,300,000.00	100.145		0.882	**15,457,131.00**	1.95%	4.33%	

	Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
	CBA 0.7 14 Jan 2027 FRN	S&P AA-	AU3FN0065579	6,500,000.00	6,500,000.00	100.394		0.581	**6,563,375.00**	0.83%	4.42%	
	CUA 1.58 01 Dec 2025 FRN	Moodys Baa1	AU3FN0073961	3,500,000.00	3,500,000.00	100.268		1.303	**3,554,985.00**	0.45%	5.29%	
	CUA 0.68 22 Apr 2026 FRN	Moodys Baa1	AU3FN0059721	11,000,000.00	11,000,000.00	100.084		0.479	**11,061,930.00**	1.39%	4.37%	
	CUA 1.6 23 Oct 2026 FRN	Moodys Baa1	AU3FN0084299	2,500,000.00	2,500,000.00	101.049		0.565	**2,540,350.00**	0.32%	5.28%	
	CUA 1.65 09 Feb 2027 FRN	Moodys Baa1	AU3FN0074787	12,500,000.00	12,500,000.00	101.325		0.291	**12,702,000.00**	1.60%	5.25%	
	CUA 1.03 01 Nov 2027 FRN	Moodys Baa1	AU3FN0093076	5,000,000.00	5,000,000.00	100.451		0.388	**5,041,950.00**	0.63%	4.70%	
	CACU 1.7 21 Sep 2026 FRN	S&P BBB-	AU3FN0081287	9,000,000.00	9,000,000.00	100.003		1.014	**9,091,530.00**	1.14%	5.36%	
	ING 1.02 20 Aug 2029 FRN	S&P A	AU3FN0090288	10,000,000.00	10,000,000.00	100.905		0.138	**10,104,300.00**	1.27%	4.59%	
	RACB 1.5 24 Feb 2026 FRN	Moodys Baa1	AU3FN0075453	6,500,000.00	6,500,000.00	100.389		0.083	**6,530,680.00**	0.82%	5.05%	
	MYS 1.3 13 Oct 2025 FRN	Moodys Baa2	AU3FN0072369	10,000,000.00	10,000,000.00	100.082		0.660	**10,074,200.00**	1.27%	5.02%	
	NAB 0.41 24 Aug 2026 FRN	S&P AA-	AU3FN0062659	7,000,000.00	7,000,000.00	100.043		0.065	**7,007,560.00**	0.88%	3.96%	
	NPBS 0.63 04 Mar 2026 FRN	S&P BBB+	AU3FN0058699	1,000,000.00	1,000,000.00	100.006		1.047	**1,010,530.00**	0.13%	4.33%	
	NPBS 1 10 Feb 2027 FRN	S&P BBB+	AU3FN0066221	13,100,000.00	13,100,000.00	100.278		0.255	**13,169,823.00**	1.66%	4.70%	
	NPBS 1.25 21 Jan 2030 FRN	S&P BBB+	AU3FN0094827	20,000,000.00	20,000,000.00	100.603		0.554	**20,231,400.00**	2.55%	4.89%	
	PCU 1.55 17 Nov 2026 FRN	S&P BBB+	AU3FN0083028	5,000,000.00	5,000,000.00	100.695		0.183	**5,043,900.00**	0.63%	5.14%	
	PCU 1.15 08 Nov 2027 FRN	S&P BBB+	AU3FN0093423	2,000,000.00	2,000,000.00	100.139		0.304	**2,008,860.00**	0.25%	4.81%	
	Qld Police 1.75 06 Dec 2025 FRN	S&P BBB-	AU3FN0073979	10,000,000.00	10,000,000.00	100.341		1.286	**10,162,700.00**	1.28%	5.46%	
	Qld Police 1.7 16 Jun 2026 FRN	S&P BBB-	AU3FN0078895	4,500,000.00	4,500,000.00	100.867		1.127	**4,589,730.00**	0.58%	5.41%	
	Qld Police 1.65 18 Sep 2026 FRN	S&P BBB-	AU3FN0081295	9,500,000.00	9,500,000.00	101.047		1.085	**9,702,540.00**	1.22%	5.35%	
	Qld Police 1.65 01 Dec 2026 FRN	S&P BBB-	AU3FN0083549	10,000,000.00	10,000,000.00	101.192		1.320	**10,251,200.00**	1.29%	5.36%	
	SunBank 0.45 24 Feb 2026 FRN	S&P AA-	AU3FN0058343	5,000,000.00	5,000,000.00	100.047		0.066	**5,005,650.00**	0.63%	4.00%	
	SunBank 0.48 15 Sep 2026 FRN	S&P AA-	AU3FN0062964	12,900,000.00	12,900,000.00	100.066		0.873	**13,021,131.00**	1.64%	4.20%	
	SunBank 0.78 25 Jan 2027 FRN	S&P AA-	AU3FN0065694	13,000,000.00	13,000,000.00	100.401		0.456	**13,111,410.00**	1.65%	4.50%	
	SunBank 0.93 21 May 2030 FRN	S&P AA-	AU3FN0098711	25,000,000.00	25,000,000.00	100.677		0.123	**25,200,000.00**	3.17%	4.48%	
	TMB 1.5 28 Oct 2025 FRN	Moodys Baa1	AU3FN0072740	2,000,000.00	2,000,000.00	100.179		0.484	**2,013,260.00**	0.25%	5.17%	
	TMB 0.68 16 Jun 2026 FRN	Moodys Baa1	AU3FN0061016	1,700,000.00	1,700,000.00	100.090		0.915	**1,717,085.00**	0.22%	4.46%	
	TMB 1.3 21 Jun 2027 FRN	Moodys Baa1	AU3FN0089132	10,000,000.00	10,000,000.00	100.977		0.938	**10,191,500.00**	1.28%	4.94%	
	UBS Aust 0.5 26 Feb 2026 FRN	Moodys Aa2	AU3FN0058608	18,800,000.00	18,800,000.00	100.046		0.055	**18,818,988.00**	2.37%	4.04%	
	UBS Aust 1.55 12 May 2028 FRN	S&P A+	AU3FN0077970	7,600,000.00	7,600,000.00	102.250		0.270	**7,791,520.00**	0.98%	5.12%	
	Westpac 0.7 25 Jan 2027 FRN	S&P AA-	AU3FN0065702	16,000,000.00	16,000,000.00	100.374		0.448	**16,131,520.00**	2.03%	4.42%	
				417,140,000.00	417,140,000.00				**421,715,069.40**	53.09%		4.72%
Term Deposit												
	AMP 5.05 01 Oct 2025 266DAY TD	Moodys ST P-2		5,000,000.00	5,000,000.00	100.000		3.251	**5,162,568.50**	0.65%	5.05%	
	AMB 4.85 03 Feb 2027 734DAY TD	Moodys Baa1		5,000,000.00	5,000,000.00	100.000		2.830	**5,141,513.70**	0.65%	4.85%	
	AMB 4.85 10 Feb 2027 741DAY TD	Moodys Baa1		5,000,000.00	5,000,000.00	100.000		2.830	**5,141,513.70**	0.65%	4.85%	
	Auswide 5 08 Oct 2025 273DAY TD	Moodys ST P-2		5,000,000.00	5,000,000.00	100.000		3.219	**5,160,958.90**	0.65%	5.00%	

Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
Auswide 5.1 11 Dec 2025 364DAY TD	Moodys ST P-2		5,000,000.00	5,000,000.00	100.000		3.661	**5,183,041.10**	0.65%	5.10%	
BOCSYD 4.62 29 Oct 2025 197DAY TD	Moodys ST P-1		5,000,000.00	5,000,000.00	100.000		1.747	**5,087,337.00**	0.64%	4.62%	
BOCSYD 4.77 18 Feb 2026 370DAY TD	Moodys ST P-1		5,000,000.00	5,000,000.00	100.000		2.601	**5,130,031.50**	0.65%	4.77%	
BOCSYD 4.77 25 Feb 2026 377DAY TD	Moodys ST P-1		5,000,000.00	5,000,000.00	100.000		2.601	**5,130,031.50**	0.65%	4.77%	
BOQ 4.68 22 Oct 2025 190DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		1.769	**5,088,471.25**	0.64%	4.68%	
BVIC 5.25 19 Nov 2025 538DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		6.588	**5,329,383.55**	0.67%	5.25%	
BENAU 4.55 15 Oct 2025 183DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		1.720	**5,086,013.70**	0.64%	4.55%	
BENAU 4.25 01 Dec 2025 187DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		1.106	**5,055,308.20**	0.64%	4.25%	
DFB 5.09 03 Sep 2025 279DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		3.849	**5,192,443.85**	0.65%	5.09%	
DFB 5 14 Jan 2026 371DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		3.219	**5,160,958.90**	0.65%	5.00%	
ING 4.95 10 Sep 2025 364DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.801	**5,240,041.10**	0.66%	4.95%	
ING 5.03 08 Oct 2025 356DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.382	**5,219,115.05**	0.66%	5.03%	
ING 5.03 22 Oct 2025 370DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.382	**5,219,115.05**	0.66%	5.03%	
ING 5.1 12 Nov 2025 370DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.150	**5,207,493.15**	0.66%	5.10%	
ING 5.1 26 Nov 2025 384DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.150	**5,207,493.15**	0.66%	5.10%	
ING 5.1 19 Dec 2025 407DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.150	**5,207,493.15**	0.66%	5.10%	
ING 5.11 19 Dec 2025 386DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		3.864	**5,193,200.00**	0.65%	5.11%	
ING 5.11 24 Dec 2025 391DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		3.864	**5,193,200.00**	0.65%	5.11%	
ING 5.1 07 Jan 2026 426DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.150	**5,207,493.15**	0.66%	5.10%	
ING 4.27 09 May 2029 1442DAY TD	S&P A		5,000,000.00	5,000,000.00	100.000		1.111	**5,055,568.50**	0.64%	4.27%	
ING 4.37 20 Mar 2030 1771DAY TD	S&P A		5,000,000.00	5,000,000.00	100.000		1.305	**5,065,250.70**	0.64%	4.37%	
ING 4.42 08 May 2030 1806DAY TD	S&P A		5,000,000.00	5,000,000.00	100.000		1.150	**5,057,520.55**	0.64%	4.42%	
MMB 4.75 15 Mar 2028 1107DAY TD	S&P BBB		5,000,000.00	5,000,000.00	100.000		2.342	**5,117,123.30**	0.64%	4.75%	
MMB 4.75 22 Mar 2028 1114DAY TD	S&P BBB		5,000,000.00	5,000,000.00	100.000		2.342	**5,117,123.30**	0.64%	4.75%	
NAB 4.02 01 Jul 2026 370DAY TD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		0.727	**5,036,345.20**	0.63%	4.02%	
RABO 5.1 28 Jan 2026 426DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		3.856	**5,192,821.90**	0.65%	5.10%	
RABO 4.85 18 Feb 2026 525DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		4.704	**5,235,191.80**	0.66%	4.85%	
RABO 5.1 20 May 2026 538DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		3.856	**5,192,821.90**	0.65%	5.10%	
RABO 4.78 05 Aug 2026 538DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		2.606	**5,130,304.10**	0.65%	4.78%	
RABO 4.73 19 Aug 2026 552DAY TD	S&P ST A1		5,000,000.00	5,000,000.00	100.000		2.579	**5,128,941.10**	0.65%	4.73%	
RABO 5.04 14 Feb 2029 1462DAY TD	S&P A+		5,000,000.00	5,000,000.00	100.000		2.748	**5,137,391.80**	0.65%	5.04%	
RABO 4.87 07 Mar 2029 1464DAY TD	S&P A+		5,000,000.00	5,000,000.00	100.000		2.402	**5,120,082.20**	0.64%	4.87%	
RABO 4.55 18 Apr 2029 1464DAY TD	S&P A+		10,000,000.00	10,000,000.00	100.000		1.683	**10,168,287.70**	1.28%	4.55%	
RABO 5.03 09 Jan 2030 1827DAY TD	S&P A+		5,000,000.00	5,000,000.00	100.000		3.238	**5,161,924.65**	0.65%	5.03%	
RABO 5.15 13 Feb 2030 1826DAY TD	S&P A+		5,000,000.00	5,000,000.00	100.000		2.808	**5,140,390.40**	0.65%	5.15%	
RABO 5 27 Feb 2030 1821DAY TD	S&P A+		5,000,000.00	5,000,000.00	100.000		2.466	**5,123,287.65**	0.64%	5.00%	

	Security	Security Rating	ISIN	Face Value Original	Face Value Current	FI Cap Price/ Unit Price/ Share Price	Unit Count/ Share Count	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
	RABO 4.75 03 Apr 2030 1814DAY TD	S&P A+		10,000,000.00	10,000,000.00	100.000		1.796	**10,179,589.00**	1.28%	4.75%	
	G&C MB 5.35 17 Sep 2025 461DAY TD	S&P ST A2		5,000,000.00	5,000,000.00	100.000		1.158	**5,057,897.25**	0.64%	5.35%	
	G&C MB 4.7 10 Mar 2027 736DAY TD	S&P BBB+		5,000,000.00	5,000,000.00	100.000		2.318	**5,115,890.40**	0.64%	4.70%	
	G&C MB 4.8 08 Mar 2028 1100DAY TD	S&P BBB+		5,000,000.00	5,000,000.00	100.000		2.367	**5,118,356.15**	0.64%	4.80%	
	Westpac 4.3 11 Feb 2026 273DAY TD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		1.284	**5,064,205.50**	0.64%	4.30%	
	Westpac 4.38 27 May 2026 378DAY TD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		1.308	**5,065,400.00**	0.64%	4.38%	
	Westpac 4.38 01 Jun 2026 383DAY TD	S&P ST A1+		5,000,000.00	5,000,000.00	100.000		1.308	**5,065,400.00**	0.64%	4.38%	
	Westpac 4.35 18 Apr 2029 1435DAY TD	S&P AA-		5,000,000.00	5,000,000.00	100.000		1.299	**5,064,952.05**	0.64%	4.35%	
	Westpac 4.49 03 Apr 2030 1785DAY TD	S&P AA-		5,000,000.00	5,000,000.00	100.000		1.341	**5,067,042.45**	0.64%	4.49%	
	Westpac 4.25 01 May 2030 1785DAY TD	S&P AA-		5,000,000.00	5,000,000.00	100.000		0.943	**5,047,157.55**	0.64%	4.25%	
				260,000,000.00	260,000,000.00				**266,970,486.25**	33.61%		4.79%
Total Portfolio				782,168,440.78	782,168,440.78				**794,394,603.88**	100.00%		4.67%

6. Portfolio Valuation By Categories As At 31 August 2025

Short Term Issuer/Security Rating Group	Market Value	% Total Value
A2	**59,521,834.70**	7.49%
A1	**88,122,124.60**	11.09%
A1+	**20,231,350.70**	2.55%
Portfolio Total	**167,875,310.00**	21.13%

Market Value by Security Rating Group (Short Term)



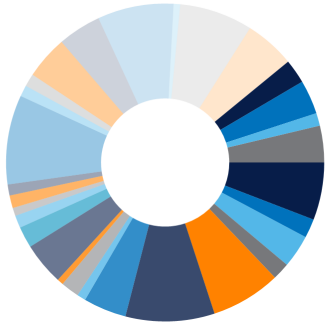
Long Term Issuer/Security Rating Group	Market Value	% Total Value
BBB+ to BBB-	**251,428,925.24**	31.65%
A+ to A-	**196,519,204.60**	24.74%
AA+ to AA-	**158,635,114.04**	19.97%
AAA	**19,936,050.00**	2.51%
Portfolio Total	**626,519,293.88**	78.87%

Market Value by Security Rating Group (Long Term)



Issuer	Market Value	% Total Value
AMP Bank Ltd	29,592,831.29	3.73%
Australian Military Bank Limited	10,283,027.40	1.29%
Auswide Bank Limited	27,504,845.00	3.46%
Bank Australia Limited	19,519,930.00	2.46%
Bank of China Limited, Sydney Branch	40,531,854.05	5.10%
Bank of Queensland Ltd	59,106,307.15	7.44%
BankVic	5,329,383.55	0.67%
Bendigo & Adelaide Bank Ltd	61,468,362.90	7.74%
Commonwealth Bank of Australia Ltd	34,955,152.99	4.40%
Credit Union Australia Ltd t/as Great Southern Bank	34,901,215.00	4.39%
Defence Bank Ltd	10,353,402.75	1.30%
Illawarra Credit Union Ltd	9,091,530.00	1.14%
ING Bank Australia Limited	72,177,283.55	9.09%
Judo Bank	8,876,213.90	1.12%
Maitland Mutual Ltd t/as The Mutual Bank	10,234,246.60	1.29%
Members Banking Group Limited t/as RACQ Bank	6,530,680.00	0.82%
MyState Bank Ltd	10,074,200.00	1.27%
National Australia Bank Ltd	17,233,705.20	2.17%
Newcastle Greater Mutual Group Ltd	34,411,753.00	4.33%
Northern Territory Treasury Corporation	5,014,750.00	0.63%
NSW Treasury Corporation	14,865,600.00	1.87%
Police Bank Ltd	7,052,760.00	0.89%
QPCU LTD t/a QBANK	34,706,170.00	4.37%
Rabobank Australia Ltd	71,911,034.20	9.05%
Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ	56,338,191.00	7.09%
Teachers Mutual Bank Ltd	13,921,845.00	1.75%
UBS Australia Ltd	26,610,508.00	3.35%
Unity Bank Ltd	15,292,143.80	1.93%
Westpac Banking Corporation Ltd	46,505,677.55	5.85%
Portfolio Total	794,394,603.88	100.00%

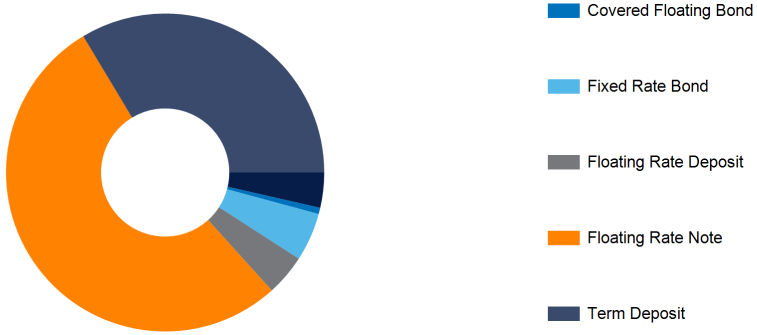
Market Value by Issuer



- AMP Bank Ltd
- Australian Military Bank Limited
- Auswide Bank Limited
- Bank Australia Limited
- Bank of China Limited, Sydney Branch
- Bank of Queensland Ltd
- BankVic
- Bendigo & Adelaide Bank Ltd
- Commonwealth Bank of Australia Ltd
- Credit Union Australia Ltd t/as Great Southern Bank
- Defence Bank Ltd
- Illawarra Credit Union Ltd
- ING Bank Australia Limited
- Judo Bank
- Maitland Mutual Ltd t/as The Mutual Bank
- Members Banking Group Limited t/as RACQ Bank
- MyState Bank Ltd
- National Australia Bank Ltd
- Newcastle Greater Mutual Group Ltd
- Northern Territory Treasury Corporation
- NSW Treasury Corporation
- Police Bank Ltd
- QPCU LTD t/a QBANK
- Rabobank Australia Ltd
- Suncorp Bank (Norfina Ltd) - Subsidiary of ANZ
- Teachers Mutual Bank Ltd
- UBS Australia Ltd
- Unity Bank Ltd
- Westpac Banking Corporation Ltd

Security Type	Market Value	% Total Value
At Call Deposit	**28,398,440.78**	3.57%
Covered Floating Bond	**5,070,450.00**	0.64%
Fixed Rate Bond	**39,010,913.90**	4.91%
Floating Rate Deposit	**33,229,243.55**	4.18%
Floating Rate Note	**421,715,069.40**	53.09%
Term Deposit	**266,970,486.25**	33.61%
Portfolio Total	**794,394,603.88**	100.00%

Market Value by Security Type



Term Remaining	Market Value	% Total Value
0 to < 1 Year	**357,407,738.68**	44.99%
1 to < 3 Years	**276,352,953.60**	34.79%
3 to < 5 Years	**160,633,911.60**	20.22%
Portfolio Total	**794,394,603.88**	100.00%

Note: Term Remaining is calculated using a weighted average life date (WAL) where appropriate and available otherwise the interim (initial) maturity date is used.

Market Value by Term Remaining



7. Performance Statistics For Period Ending 31 August 2025

Trading Book		1 Month	3 Month	12 Month	Since Inception
Central Coast Council					
	Portfolio Return (1)	0.43%	1.24%	5.18%	2.87%
	Performance Index (2)	0.32%	0.94%	4.25%	2.51%
	Excess Performance (3)	0.11%	0.30%	0.93%	0.36%

Notes

1 Portfolio performance is the rate of return of the portfolio over the specified period

2 The Performance Index is the Bloomberg AusBond Bank Bill Index (Bloomberg Page BAUBIL)

3 Excess performance is the rate of return of the portfolio in excess of the Performance Index

Trading Book	Weighted Average Running Yield
Central Coast Council	4.67

9. Realised Gains (Losses) - Fixed Interest Dealing For 1 August 2025 to 31 August 2025

No realised gains or losses from fixed interest dealing to report for entered period.

9b. Realised Gains (Losses) - Share Dealing For 1 August 2025 to 31 August 2025

No realised gains or losses from share dealing to report for entered period.

10. Realised Gains (Losses) - Principal Repayments For 1 August 2025 to 31 August 2025

No realised gains or losses from principal repayments to report for entered period.

Total Realised Gains (Losses)

	Fixed Interest Dealing	Principal Repayments	Total	Notes (1) The Acquisition Gross Price includes any accrued interest included in the purchase price.
			0.00	

11. Unrealised FI Capital Gains (Losses) As At 31 August 2025

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	**Unrealised Capital Gain (Loss)**
AMP 1.27 13 Sep 2027 FRN														
	LC218004	11 Sep 2024	1.200000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.194	5,009,700.00	100.686000	100.686000	5,034,300.00	5,034,300.00	**24,600.00**
	LC225667	28 Nov 2024	1.060000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.543	10,054,300.00	100.686000	100.686000	10,068,600.00	10,068,600.00	**14,300.00**
	LC229257	12 Dec 2024	1.060000	9,000,000.00	9,000,000.00	1.00000000	9,000,000.00	100.534	9,048,060.00	100.686000	100.686000	9,061,740.00	9,061,740.00	**13,680.00**
					24,000,000.00		24,000,000.00	100.467	24,112,060.00			24,164,640.00	24,164,640.00	**52,580.00**
Auswide 1.5 07 Nov 2025 FRN														
	LC156239	27 Oct 2022	1.500000	7,250,000.00	7,250,000.00	1.00000000	7,250,000.00	100.000	7,250,000.00	100.129000	100.129000	7,259,352.50	7,259,352.50	**9,352.50**
	LC188385	7 Dec 2023	1.400000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	100.184	2,504,600.00	100.129000	100.129000	2,503,225.00	2,503,225.00	**(1,375.00)**
					9,750,000.00		9,750,000.00	100.047	9,754,600.00			9,762,577.50	9,762,577.50	**7,977.50**
Auswide 1.5 17 Mar 2026 FRN														
	LC164300	9 Mar 2023	1.500000	4,500,000.00	4,500,000.00	1.00000000	4,500,000.00	100.000	4,500,000.00	100.407000	100.407000	4,518,315.00	4,518,315.00	**18,315.00**
					4,500,000.00		4,500,000.00	100.000	4,500,000.00			4,518,315.00	4,518,315.00	**18,315.00**
Auswide 1.6 22 Mar 2027 FRN														
	LC229251	12 Dec 2024	1.110000	2,750,000.00	2,750,000.00	1.00000000	2,750,000.00	101.049	2,778,847.50	100.769000	100.769000	2,771,147.50	2,771,147.50	**(7,700.00)**
					2,750,000.00		2,750,000.00	101.049	2,778,847.50			2,771,147.50	2,771,147.50	**(7,700.00)**
BAL 1.55 22 Feb 2027 FRN														
	LC164137	8 Mar 2023	1.400000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.512	5,025,600.00	100.910000	100.910000	5,045,500.00	5,045,500.00	**19,900.00**
	LC169102	31 May 2023	1.330000	4,250,000.00	4,250,000.00	1.00000000	4,250,000.00	100.729	4,280,982.50	100.910000	100.910000	4,288,675.00	4,288,675.00	**7,692.50**
					9,250,000.00		9,250,000.00	100.612	9,306,582.50			9,334,175.00	9,334,175.00	**27,592.50**
BAL 1.7 21 Feb 2028 FRN														
	LC207926	30 May 2024	1.420000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.932	10,093,200.00	101.597000	101.597000	10,159,700.00	10,159,700.00	**66,500.00**
					10,000,000.00		10,000,000.00	100.932	10,093,200.00			10,159,700.00	10,159,700.00	**66,500.00**
BENAU 0.52 02 Dec 2025 FRN														
	LC100679	22 Jan 2021	0.430000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.427	10,042,700.00	100.000000	100.000000	10,000,000.00	10,000,000.00	**(42,700.00)**
	LC103542	9 Mar 2021	0.470000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.229	10,022,900.00	100.000000	100.000000	10,000,000.00	10,000,000.00	**(22,900.00)**
	LC104738	1 Apr 2021	0.480000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.183	10,018,300.00	100.000000	100.000000	10,000,000.00	10,000,000.00	**(18,300.00)**
	LC112607	16 Sep 2021	0.460000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.246	1,002,460.00	100.000000	100.000000	1,000,000.00	1,000,000.00	**(2,460.00)**
	LC112609	16 Sep 2021	0.460000	4,500,000.00	4,500,000.00	1.00000000	4,500,000.00	100.246	4,511,070.00	100.000000	100.000000	4,500,000.00	4,500,000.00	**(11,070.00)**
					35,500,000.00		35,500,000.00	100.274	35,597,430.00			35,500,000.00	35,500,000.00	**(97,430.00)**
BENAU 0.65 18 Jun 2026 FRN														
	LC108717	30 Jun 2021	0.580000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.334	10,033,400.00	100.145000	100.145000	10,014,500.00	10,014,500.00	**(18,900.00)**
	LC109084	7 Jul 2021	0.570000	2,300,000.00	2,300,000.00	1.00000000	2,300,000.00	100.382	2,308,786.00	100.145000	100.145000	2,303,335.00	2,303,335.00	**(5,451.00)**

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	**Unrealised Capital Gain (Loss)**
BENAU 0.65 18 Jun 2026 FRN	LC109586	21 Jul 2021	0.530000	3,000,000.00	3,000,000.00	1.00000000	3,000,000.00	100.573	3,017,190.00	100.145000	100.145000	3,004,350.00	3,004,350.00	**(12,840.00)**
					15,300,000.00		15,300,000.00	100.388	15,359,376.00			15,322,185.00	15,322,185.00	**(37,191.00)**
BOQ 0.63 06 May 2026 FRN														
	LC109088	7 Jul 2021	0.540000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.422	5,021,100.00	100.128000	100.128000	5,006,400.00	5,006,400.00	**(14,700.00)**
					5,000,000.00		5,000,000.00	100.422	5,021,100.00			5,006,400.00	5,006,400.00	**(14,700.00)**
BOQ 0.8 27 Oct 2026 FRN														
	LC115705	25 Nov 2021	0.770000	7,000,000.00	7,000,000.00	1.00000000	7,000,000.00	100.142	7,009,940.00	100.320000	100.320000	7,022,400.00	7,022,400.00	**12,460.00**
	LC116445	15 Dec 2021	0.740000	15,000,000.00	15,000,000.00	1.00000000	15,000,000.00	100.278	15,041,700.00	100.320000	100.320000	15,048,000.00	15,048,000.00	**6,300.00**
					22,000,000.00		22,000,000.00	100.235	22,051,640.00			22,070,400.00	22,070,400.00	**18,760.00**
BOQ 1.2 09 May 2028 COVEREDFLO														
	LC167397	4 May 2023	1.100000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.445	5,022,250.00	101.143000	101.143000	5,057,150.00	5,057,150.00	**34,900.00**
					5,000,000.00		5,000,000.00	100.445	5,022,250.00			5,057,150.00	5,057,150.00	**34,900.00**
BOQ 1.28 30 Apr 2029 FRN														
	LC247923	15 Apr 2025	1.129300	8,490,000.00	8,490,000.00	1.00000000	8,490,000.00	100.554	8,537,034.60	101.499000	101.499000	8,617,265.10	8,617,265.10	**80,230.50**
					8,490,000.00		8,490,000.00	100.554	8,537,034.60			8,617,265.10	8,617,265.10	**80,230.50**
BOQ 4.7 27 Jan 2027 Fixed														
	LC209063	13 Jun 2024	5.130000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	98.956	4,947,800.00	100.844000	100.844000	5,042,200.00	5,042,200.00	**94,400.00**
					5,000,000.00		5,000,000.00	98.956	4,947,800.00			5,042,200.00	5,042,200.00	**94,400.00**
CACU 1.7 21 Sep 2026 FRN														
	LC180163	7 Sep 2023	1.700000	9,000,000.00	9,000,000.00	1.00000000	9,000,000.00	100.000	9,000,000.00	100.003000	100.003000	9,000,270.00	9,000,270.00	**270.00**
					9,000,000.00		9,000,000.00	100.000	9,000,000.00			9,000,270.00	9,000,270.00	**270.00**
CBA 0.7 14 Jan 2027 FRN														
	LC116992	12 Jan 2022	0.700000	6,500,000.00	6,500,000.00	1.00000000	6,500,000.00	100.000	6,500,000.00	100.394000	100.394000	6,525,610.00	6,525,610.00	**25,610.00**
					6,500,000.00		6,500,000.00	100.000	6,500,000.00			6,525,610.00	6,525,610.00	**25,610.00**
CUA 0.68 22 Apr 2026 FRN														
	LC105450	13 Apr 2021	0.680000	11,000,000.00	11,000,000.00	1.00000000	11,000,000.00	100.000	11,000,000.00	100.084000	100.084000	11,009,240.00	11,009,240.00	**9,240.00**
					11,000,000.00		11,000,000.00	100.000	11,000,000.00			11,009,240.00	11,009,240.00	**9,240.00**
CUA 1.03 01 Nov 2027 FRN														
	LC234197	13 Feb 2025	0.860000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.430	5,021,500.00	100.451000	100.451000	5,022,550.00	5,022,550.00	**1,050.00**
					5,000,000.00		5,000,000.00	100.430	5,021,500.00			5,022,550.00	5,022,550.00	**1,050.00**
CUA 1.58 01 Dec 2025 FRN														
	LC157929	25 Nov 2022	1.580000	3,500,000.00	3,500,000.00	1.00000000	3,500,000.00	100.000	3,500,000.00	100.268000	100.268000	3,509,380.00	3,509,380.00	**9,380.00**
					3,500,000.00		3,500,000.00	100.000	3,500,000.00			3,509,380.00	3,509,380.00	**9,380.00**

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	**Unrealised Capital Gain (Loss)**
CUA 1.6 23 Oct 2026 FRN														
	LC190930	17 Jan 2024	1.490000	2,500,000.00	2,500,000.00	1.00000000	2,500,000.00	100.279	2,506,975.00	101.049000	101.049000	2,526,225.00	2,526,225.00	**19,250.00**
					2,500,000.00		2,500,000.00	100.279	2,506,975.00			2,526,225.00	2,526,225.00	**19,250.00**
CUA 1.65 09 Feb 2027 FRN														
	LC179275	4 Sep 2023	1.300000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	101.100	5,055,000.00	101.325000	101.325000	5,066,250.00	5,066,250.00	**11,250.00**
	LC181165	27 Sep 2023	1.280000	7,500,000.00	7,500,000.00	1.00000000	7,500,000.00	101.140	7,585,500.00	101.325000	101.325000	7,599,375.00	7,599,375.00	**13,875.00**
					12,500,000.00		12,500,000.00	101.124	12,640,500.00			12,665,625.00	12,665,625.00	**25,125.00**
ING 1.02 20 Aug 2029 FRN														
	LX248087	17 Apr 2025	0.980000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.161	10,016,100.00	100.905000	100.905000	10,090,500.00	10,090,500.00	**74,400.00**
					10,000,000.00		10,000,000.00	100.161	10,016,100.00			10,090,500.00	10,090,500.00	**74,400.00**
JUDO 6.4 26 Sep 2025 Fixed														
	LC165395	28 Mar 2023	6.000000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.911	5,045,550.00	100.105000	100.105000	5,005,250.00	5,005,250.00	**(40,300.00)**
	LC190925	17 Jan 2024	6.350000	3,630,000.00	3,630,000.00	1.00000000	3,630,000.00	100.067	3,632,432.10	100.105000	100.105000	3,633,811.50	3,633,811.50	**1,379.40**
					8,630,000.00		8,630,000.00	100.556	8,677,982.10			8,639,061.50	8,639,061.50	**(38,920.60)**
MYS 1.3 13 Oct 2025 FRN														
	LC155063	6 Oct 2022	1.300000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.000	10,000,000.00	100.082000	100.082000	10,008,200.00	10,008,200.00	**8,200.00**
					10,000,000.00		10,000,000.00	100.000	10,000,000.00			10,008,200.00	10,008,200.00	**8,200.00**
NAB 0.41 24 Aug 2026 FRN														
	LC112610	16 Sep 2021	0.380000	7,000,000.00	7,000,000.00	1.00000000	7,000,000.00	100.143	7,010,010.00	100.043000	100.043000	7,003,010.00	7,003,010.00	**(7,000.00)**
					7,000,000.00		7,000,000.00	100.143	7,010,010.00			7,003,010.00	7,003,010.00	**(7,000.00)**
NAB 4.6 18 Mar 2030 Fixed														
	LC259849	26 Jun 2025	4.070000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	102.248	5,112,400.00	101.721000	101.721000	5,086,050.00	5,086,050.00	**(26,350.00)**
					5,000,000.00		5,000,000.00	102.248	5,112,400.00			5,086,050.00	5,086,050.00	**(26,350.00)**
NPBS 0.63 04 Mar 2026 FRN														
	LC103141	2 Mar 2021	0.580000	1,000,000.00	1,000,000.00	1.00000000	1,000,000.00	100.242	1,002,420.00	100.006000	100.006000	1,000,060.00	1,000,060.00	**(2,360.00)**
					1,000,000.00		1,000,000.00	100.242	1,002,420.00			1,000,060.00	1,000,060.00	**(2,360.00)**
NPBS 1 10 Feb 2027 FRN														
	LC137829	30 Mar 2022	1.050000	3,100,000.00	3,100,000.00	1.00000000	3,100,000.00	99.781	3,093,211.00	100.278000	100.278000	3,108,618.00	3,108,618.00	**15,407.00**
	LX190938	17 Jan 2024	1.400300	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	98.879	9,887,900.00	100.278000	100.278000	10,027,800.00	10,027,800.00	**139,900.00**
					13,100,000.00		13,100,000.00	99.092	12,981,111.00			13,136,418.00	13,136,418.00	**155,307.00**
NPBS 1.25 21 Jan 2030 FRN														
	LC232798	30 Jan 2025	1.130000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.540	5,027,000.00	100.603000	100.603000	5,030,150.00	5,030,150.00	**3,150.00**
	LC234195	13 Feb 2025	1.080000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.757	5,037,850.00	100.603000	100.603000	5,030,150.00	5,030,150.00	**(7,700.00)**

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	Unrealised Capital Gain (Loss)
NPBS 1.25 21 Jan 2030 FRN	LC242496	4 Mar 2025	1.050000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.890	10,089,000.00	100.603000	100.603000	10,060,300.00	10,060,300.00	**(28,700.00)**
					20,000,000.00		20,000,000.00	100.769	20,153,850.00			20,120,600.00	20,120,600.00	**(33,250.00)**
NSWTC 3 15 Nov 2028 Fixed														
	LC142120	15 Nov 2018	3.235000	15,000,000.00	15,000,000.00	1.00000000	15,000,000.00	98.006	14,700,900.00	98.224000	98.224000	14,733,600.00	14,733,600.00	**32,700.00**
					15,000,000.00		15,000,000.00	98.006	14,700,900.00			14,733,600.00	14,733,600.00	**32,700.00**
NTTC 1.4 15 Dec 2026 - Issued 26 August 2021 - CCC Fixed	LC111486	26 Aug 2021	1.400000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.000	5,000,000.00	100.000000	100.000000	5,000,000.00	5,000,000.00	**0.00**
					5,000,000.00		5,000,000.00	100.000	5,000,000.00			5,000,000.00	5,000,000.00	**0.00**
PCU 1.15 08 Nov 2027 FRN														
	LC229250	12 Dec 2024	1.060200	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.241	2,004,820.00	100.139000	100.139000	2,002,780.00	2,002,780.00	**(2,040.00)**
					2,000,000.00		2,000,000.00	100.241	2,004,820.00			2,002,780.00	2,002,780.00	**(2,040.00)**
PCU 1.55 17 Nov 2026 FRN														
	LX185851	14 Nov 2023	1.550000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.000	5,000,000.00	100.695000	100.695000	5,034,750.00	5,034,750.00	**34,750.00**
					5,000,000.00		5,000,000.00	100.000	5,000,000.00			5,034,750.00	5,034,750.00	**34,750.00**
Qld Police 1.65 01 Dec 2026 FRN														
	LC187340	27 Nov 2023	1.650000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.000	10,000,000.00	101.192000	101.192000	10,119,200.00	10,119,200.00	**119,200.00**
					10,000,000.00		10,000,000.00	100.000	10,000,000.00			10,119,200.00	10,119,200.00	**119,200.00**
Qld Police 1.65 18 Sep 2026 FRN														
	LC180295	12 Sep 2023	1.650000	9,500,000.00	9,500,000.00	1.00000000	9,500,000.00	100.000	9,500,000.00	101.047000	101.047000	9,599,465.00	9,599,465.00	**99,465.00**
					9,500,000.00		9,500,000.00	100.000	9,500,000.00			9,599,465.00	9,599,465.00	**99,465.00**
Qld Police 1.7 16 Jun 2026 FRN														
	LC169762	8 Jun 2023	1.700000	4,500,000.00	4,500,000.00	1.00000000	4,500,000.00	100.000	4,500,000.00	100.867000	100.867000	4,539,015.00	4,539,015.00	**39,015.00**
					4,500,000.00		4,500,000.00	100.000	4,500,000.00			4,539,015.00	4,539,015.00	**39,015.00**
Qld Police 1.75 06 Dec 2025 FRN														
	LC157906	23 Nov 2022	1.750000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.000	10,000,000.00	100.341000	100.341000	10,034,100.00	10,034,100.00	**34,100.00**
					10,000,000.00		10,000,000.00	100.000	10,000,000.00			10,034,100.00	10,034,100.00	**34,100.00**
RACB 1.5 24 Feb 2026 FRN														
	LC169099	31 May 2023	1.500000	3,750,000.00	3,750,000.00	1.00000000	3,750,000.00	99.988	3,749,550.00	100.389000	100.389000	3,764,587.50	3,764,587.50	**15,037.50**
	LC188379	7 Dec 2023	1.480000	2,750,000.00	2,750,000.00	1.00000000	2,750,000.00	100.048	2,751,320.00	100.389000	100.389000	2,760,697.50	2,760,697.50	**9,377.50**
					6,500,000.00		6,500,000.00	100.013	6,500,870.00			6,525,285.00	6,525,285.00	**24,415.00**
SunBank 0.45 24 Feb 2026 FRN														
	LC112608	16 Sep 2021	0.410000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.173	5,008,650.00	100.047000	100.047000	5,002,350.00	5,002,350.00	**(6,300.00)**
					5,000,000.00		5,000,000.00	100.173	5,008,650.00			5,002,350.00	5,002,350.00	**(6,300.00)**

Security	Acquisition Deal	Acquisition Date	Acquisition Yield/ Interest Rate	Acquisition Face Value Original	Balance Face Value Original	Bond Factor Current	Balance Face Value Current	Acquisition Capital Price	Acquisition Capital Consideration	Current Capital Price	CCP For Discount Securities	Current Capital Consideration	Current Capital Consideration Adjusted	**Unrealised Capital Gain (Loss)**
SunBank 0.48 15 Sep 2026 FRN														
	LC112472	9 Sep 2021	0.406300	2,900,000.00	2,900,000.00	1.00000000	2,900,000.00	100.340	2,909,860.00	100.066000	100.066000	2,901,914.00	2,901,914.00	**(7,946.00)**
	LC113804	13 Oct 2021	0.510000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	99.858	9,985,800.00	100.066000	100.066000	10,006,600.00	10,006,600.00	**20,800.00**
					12,900,000.00		12,900,000.00	99.966	12,895,660.00			12,908,514.00	12,908,514.00	**12,854.00**
SunBank 0.78 25 Jan 2027 FRN														
	LC117127	18 Jan 2022	0.780000	13,000,000.00	13,000,000.00	1.00000000	13,000,000.00	100.000	13,000,000.00	100.401000	100.401000	13,052,130.00	13,052,130.00	**52,130.00**
					13,000,000.00		13,000,000.00	100.000	13,000,000.00			13,052,130.00	13,052,130.00	**52,130.00**
SunBank 0.93 21 May 2030 FRN														
	LC254411	28 May 2025	0.820000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.497	10,049,700.00	100.677000	100.677000	10,067,700.00	10,067,700.00	**18,000.00**
	LC257405	11 Jun 2025	0.820000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	100.482	5,024,100.00	100.677000	100.677000	5,033,850.00	5,033,850.00	**9,750.00**
	LC259864	26 Jun 2025	0.820000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.493	10,049,300.00	100.677000	100.677000	10,067,700.00	10,067,700.00	**18,400.00**
					25,000,000.00		25,000,000.00	100.492	25,123,100.00			25,169,250.00	25,169,250.00	**46,150.00**
TMB 0.68 16 Jun 2026 FRN														
	LC137828	30 Mar 2022	1.079900	1,700,000.00	1,700,000.00	1.00000000	1,700,000.00	98.445	1,673,565.00	100.090000	100.090000	1,701,530.00	1,701,530.00	**27,965.00**
					1,700,000.00		1,700,000.00	98.445	1,673,565.00			1,701,530.00	1,701,530.00	**27,965.00**
TMB 1.3 21 Jun 2027 FRN														
	LC213714	1 Aug 2024	1.140000	10,000,000.00	10,000,000.00	1.00000000	10,000,000.00	100.430	10,043,000.00	100.977000	100.977000	10,097,700.00	10,097,700.00	**54,700.00**
					10,000,000.00		10,000,000.00	100.430	10,043,000.00			10,097,700.00	10,097,700.00	**54,700.00**
TMB 1.5 28 Oct 2025 FRN														
	LC181158	27 Sep 2023	1.170000	2,000,000.00	2,000,000.00	1.00000000	2,000,000.00	100.661	2,013,220.00	100.179000	100.179000	2,003,580.00	2,003,580.00	**(9,640.00)**
					2,000,000.00		2,000,000.00	100.661	2,013,220.00			2,003,580.00	2,003,580.00	**(9,640.00)**
UBS Aust 0.5 26 Feb 2026 FRN														
	LC103200	2 Mar 2021	0.480000	6,800,000.00	6,800,000.00	1.00000000	6,800,000.00	100.098	6,806,664.00	100.046000	100.046000	6,803,128.00	6,803,128.00	**(3,536.00)**
	LC103543	9 Mar 2021	0.480000	12,000,000.00	12,000,000.00	1.00000000	12,000,000.00	100.096	12,011,520.00	100.046000	100.046000	12,005,520.00	12,005,520.00	**(6,000.00)**
					18,800,000.00		18,800,000.00	100.097	18,818,184.00			18,808,648.00	18,808,648.00	**(9,536.00)**
UBS Aust 1.55 12 May 2028 FRN														
	LC169097	31 May 2023	1.400000	2,600,000.00	2,600,000.00	1.00000000	2,600,000.00	100.635	2,616,510.00	102.250000	102.250000	2,658,500.00	2,658,500.00	**41,990.00**
	LC179277	4 Sep 2023	1.200000	5,000,000.00	5,000,000.00	1.00000000	5,000,000.00	101.459	5,072,950.00	102.250000	102.250000	5,112,500.00	5,112,500.00	**39,550.00**
					7,600,000.00		7,600,000.00	101.177	7,689,460.00			7,771,000.00	7,771,000.00	**81,540.00**
Westpac 0.7 25 Jan 2027 FRN														
	LC117174	19 Jan 2022	0.700000	16,000,000.00	16,000,000.00	1.00000000	16,000,000.00	100.000	16,000,000.00	100.374000	100.374000	16,059,840.00	16,059,840.00	**59,840.00**
					16,000,000.00		16,000,000.00	100.000	16,000,000.00			16,059,840.00	16,059,840.00	**59,840.00**
														1,155,493.90

Note: The summary values for Acquisition Capital Price are the weighted average acquisition capital prices based upon the Balance Face Value Current for each security.

11b. Unrealised Unit/Share Capital Gains (Losses) As At 31 August 2025

No unrealised gains or losses (for unit trusts and shares) to report for entered period.

12. Associated Cash Statement for Settlement Period 1 August 2025 to 31 August 2025 inclusive

No associated cash transactions to report for entered period.



13. Tax Summary For 1 August 2025 to 31 August 2025

Interest Income	**2,749,383.77**
Realised Gains (Losses) - Fixed Interest Dealing	**0.00**
Realised Gains (Losses) - Principal Repayments	**0.00**
Total	**2,749,383.77**

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Report Code: TEPACK020EXT-01.87
Report Description: Investment Report Pack
Parameters:
Trading Entity: Central Coast Council
Trading Book: Central Coast Council
Settlement Date Base
History Start Date: 1 Jan 2000
Income Expense Status: Authorised
FI Deal Status: Contract
Exclude Cash
Exclude Unallocated Cash
Exclude Negative Unit Holdings

Perpetual

Monthly Investment Report

Central Coast Council

August 2025

Perpetual CT Advisory Pty Ltd– Part of the Perpetual Group
ABN 18 637 448 894
Corporate Authorised Representative of Perpetual Corporate Trust Pty Ltd AFSL 392673

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Market Commentary

MARKET UPDATE

The Reserve Bank of Australia (RBA) delivered a widely expected 25-basis point cut to the cash rate at its August Board Meeting, lowering the target to 3.60%. The decision reflects the RBA's cautious optimism about inflation trends and its revised outlook for slower economic growth over the next two years.

While the RBA has signalled the possibility of further rate cuts, potentially down to 2.85% over the next year, it emphasised a gradual approach, contingent on incoming data aligning with its forecasts. However, recent economic indicators have been stronger than expected: the unemployment rate was 4.2% in July, wage growth remained elevated, and early signs suggest Q2 GDP may exceed expectations.

Given this backdrop, we now expect the RBA may deliver one more rate cut in November or December, bringing the cash rate to 3.35%, before entering a prolonged pause. Looking ahead, the yield curve is likely to steepen briefly in the near term, but as inflation picks up again in late 2025 and into 2026, shorter-term bond yields may rise more sharply than longer-term yields, leading to a flatter yield curve through 2026.

In the short-term money market, the three-month Bank Bill Swap Rate (BBSW) closed at 3.5728%, down from 3.6814% at the end of July. The six-month BBSW was also lower, ending the month at 3.6600%, compared to 3.7795% for the previous month.

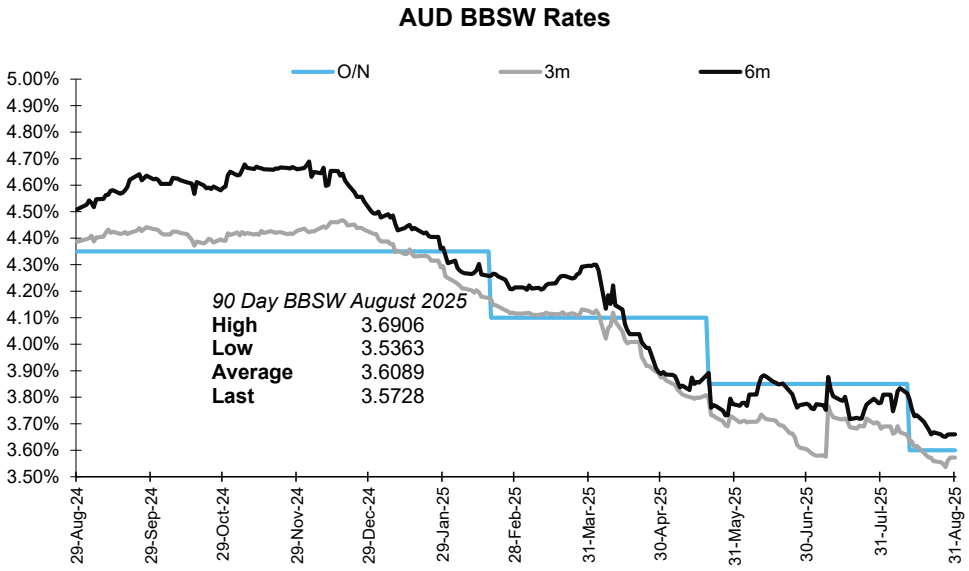


Figure 1 RBA Cash vs 3 Month vs 6 Month BBSW Source Bloomberg

NCD AND TERM DEPOSIT COMMENTARY

The major banks continued to hold firm on term deposit (TD) margins, whilst the A2 Banks remain very liquid and aren't actively looking for funding. The RBA's expected decision to cut the cash rate from 3.85% to 3.60% didn't lead to much change in Term Deposit rates, with most institutions having moved rates lower over the month.

Term deposit rates issued by rated ADIs on average ranged from 4.00% to 4.10% for 90 days, 4.10% to 4.15% for 180 days and 365 days 3.90% to 4.00%. The A2 NCD market remained slow with many Banks very liquid, with margins decreasing on average at +35 to +40.

Issuer	S&P Rating	NCD margin to 90-day BBSW	Term Deposit margin to 90-day BBSW
Major Bank	AA- / A1+	Flat	+55
Regional Bank	A- / A2	+35	+40
Foreign Bank	A / A1	+45	+65
Mutual Bank / Credit Union	BBB / A3	+40	+55

Figure 2 Source - Perpetual

Perpetual

Credit Commentary

MARKET COMMENTARY

Equities and credit posted more gains in August, with a general sense of optimism pervading markets. Equities rose across the board led by China (10.3%), Japan (4.0%), Australia (2.6%), the US (1.9%), emerging markets (1.2%) and Europe (0.6%). Credit spreads fell for both investment grade and high yield, with very strong demand for primary issuance. Commodities were mixed with gains for gold (4.8%), copper (3.5%) and iron ore (2.6%) while US oil (-7.7%) and US natural gas (-2.9%) suffered losses.

Government bond yields were mixed, rising in Europe and Japan but falling in the US and Australia. The Federal Reserve is generally expected to cut in September but with US inflation above target and increasing there are unlikely to be too many cuts in the near term. The US ten-year yield fell from 4.37% to 4.23% during August while the Australian equivalent saw minimal change, rising from 4.28% to 4.30%.

The RBA cut the Cash Rate by 0.25% to 3.60% in August, as was widely expected. However, a stronger than expected monthly inflation reading has moderated forecasts for further rate cuts, with just one more cut now priced in for 2025, likely in November. A further 0.25% cut in early 2026 is implied by market pricing, which would leave the Cash Rate at 3.10%. Beyond this there are varying views, with some seeing the potential for rate increases in late 2026 and others seeing one or two more cuts over 2026.

Index Performance as at 31 August 2025

Indices	1 Month	3 Month	6 Month	12 Month
Bloomberg AusBond Bank Bill Index	0.32%	0.96%	2.00%	4.28%
Bloomberg AusBond Composite Bond Index 0+ Years Index	0.32%	1.62%	3.11%	4.27%
Bloomberg AusBond Credit FRN 0+ Years Index	0.46%	1.31%	2.47%	5.28%

Figure 3 Source Bloomberg

MAJOR BANK CURVE

Credit spreads for senior financials of Australia's major banks tightened broadly by 3–4 basis points across the curve, reflecting sustained investor demand. Despite a solid pace of issuance this month, appetite for high-quality bank paper remains strong, with no signs of fatigue. This resilience is underpinned by favourable domestic liquidity conditions and a rotation of capital back into Australian markets, as some investors reduce exposure to U.S. credit amid heightened risk concerns offshore. The combination of robust demand and relative value versus global peers continues to support tighter spreads, particularly in the short to intermediate tenors.

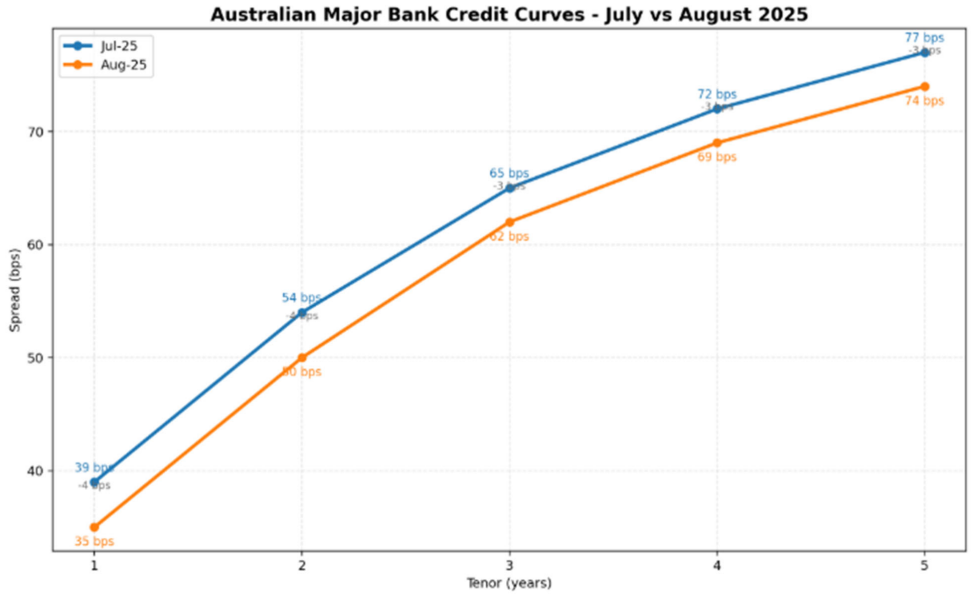


Figure 4 Source - Perpetual

Whilst the curve is still upward sloping, the 5-year spread has tightened by 3bps compared to 4bps in shorter tenors. A new 5-year major bank senior unsecured issue would likely come around the +75bps area (including new issue premium) if issued today.

Major Bank Spread Movements

Curve Majors	Change	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24
1yr	-4	35	39	35	37	45	39	36	39	40	38	33	33
2yr	-4	50	54	53	52	62	55	52	55	56	54	52	51
3yr	-3	62	65	64	66	77	69	65	66	69	69	66	66
4yr	-3	69	72	74	74	86	80	73	74	78	77	75	78
5yr	-3	74	77	78	81	95	85	78	80	83	83	81	84

Figure 5 Source - Perpetual

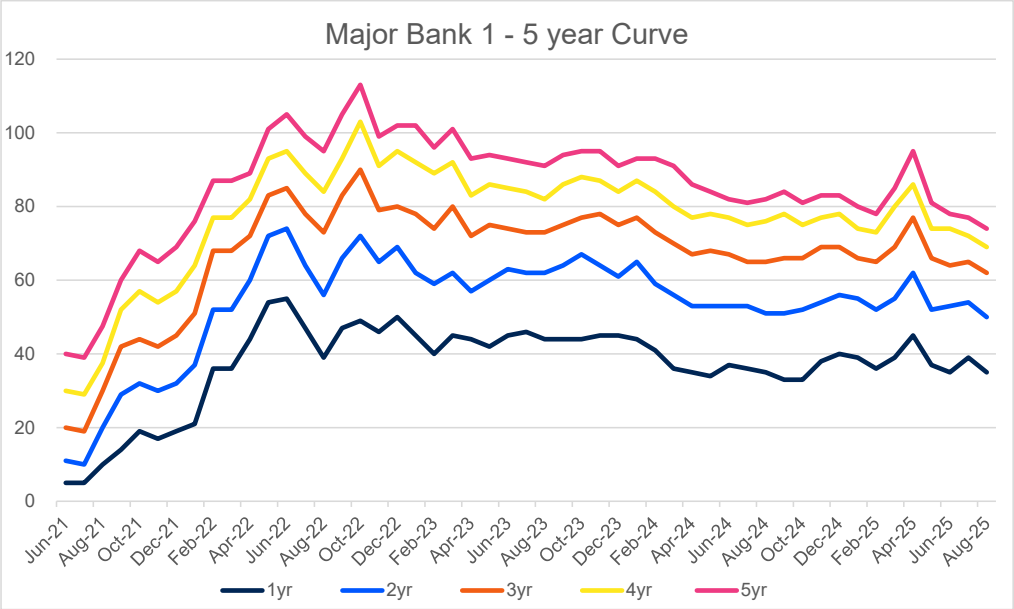


Figure 6 Source - Perpetual

SUBORDINATED DEBT CURVE

Subordinated (Tier 2) debt significantly outperformed senior paper in August, with spreads compressing by as much as 20 bps across the curve. This marks one of the strongest monthly moves in recent memory, driven by persistent demand for higher-yielding bank capital instruments amid a stable credit backdrop. The Non-Call 5 (NC5) FRNs closed at +138 bps, their tightest level since January 2022, underscoring the depth of investor appetite and confidence in the sector's capital strength. The rally in Tier 2 reflects both technical support from limited supply and relative value versus global peers, positioning the asset class as a key outperformer within financial credit.

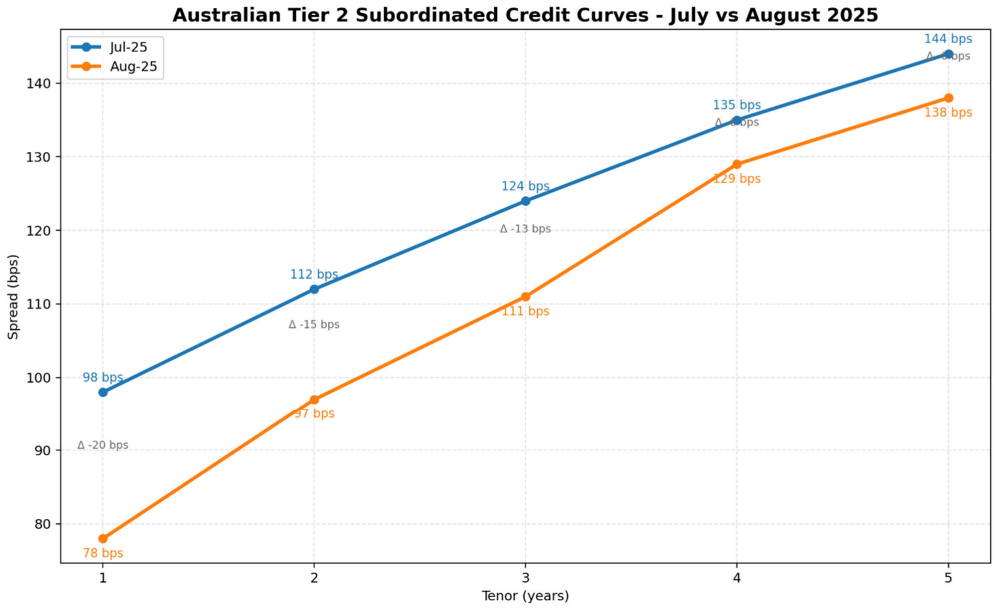


Figure 7 Source - Perpetual

Tier 2 Spread Movements

Curve T2	Change	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24
1yr	-20	78	98	112	112	123	96	74	76	76	74	68	84
2yr	-15	97	112	129	129	139	115	90	92	99	94	91	105
3yr	-13	111	124	140	139	154	133	112	117	119	117	113	124
4yr	-6	129	135	148	151	169	149	133	138	136	140	134	147
5yr	-6	138	144	160	162	179	163	143	149	149	153	150	167

Figure 8 Source - Perpetual

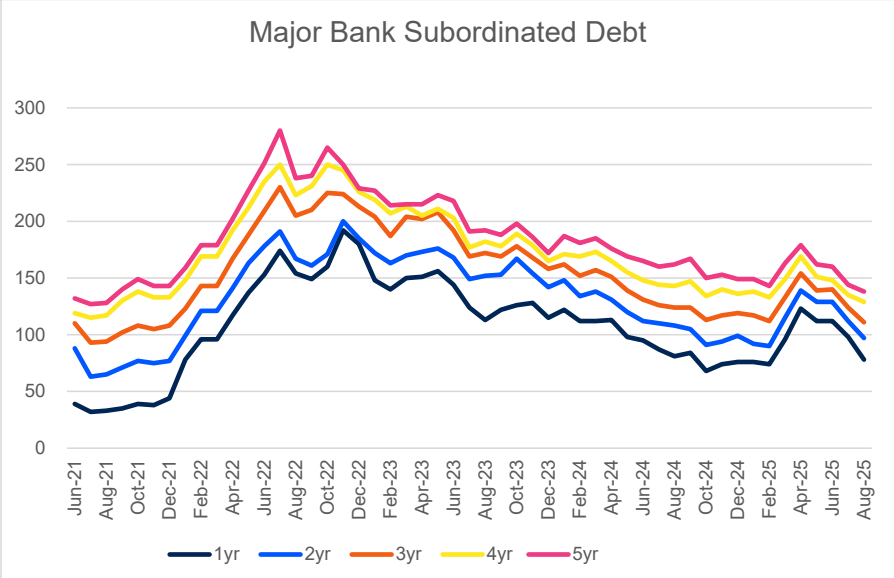


Figure 9 Source - Perpetual

Perpetual

Economic Update

ECONOMIC ROUNDUP

Economic data released in August have prompted upward revision to the global economic growth outlook relative to the pronounced slowing feared as the US turns toward higher tariffs on international trade. Q2 GDP reports from the US, Europe and China have come in a little firmer than expected, while inflation reports are showing little or no upward pressure from the first few months of US tariff changes. Central banks are breathing easier with a hint from Federal Reserve Chairman, Jerome Powell, that a return to cutting the Federal Funds rate could be on the cards in September. In Australia, the RBA seems to have taken a less cautious turn cutting the cash rate at the August policy meeting and indicating more cuts ahead.

In the United States, the advance reading of Q2 GDP growth showed a greater than expected 3.0% annualised increase after a 0.5% reduction in Q1. The rebound in growth came mainly from a lift in contribution to US growth from international trade as imports to the US plunged in Q2 after a sharp rise in Q1 as US companies tried to run ahead of President Trump's imposition of higher tariffs. The improvement in GDP growth was not all international trade related, however, real consumer spending rose at 1.4% annualised pace, up from 0.5% in Q1. There is some evidence that US consumers are continuing to spend more freely early in Q3 with retail sales up 0.5% m-o-m in July after an upwardly revised 0.9% lift in June (initial report +0.6% m-o-m).

US economic growth is still moderating relative to where it was in 2024, but not as much as analysts feared when President Trump made his initial higher tariff announcement in early-April. Many economic indicators in the US can best be described as mixed-strength. Consumer and business sentiment indicators are running softer, although not as soft as they were three months ago. Labour market conditions eased in May and June but seem to have firmed again in July.

On the inflation front, the CPI appears sticky at 2.7% y-o-y in both June and July while producer prices rising 3.3% y-o-y in July from 2.4% in June may be a sign of higher US inflation still coming down the track. The Federal Reserve, while still concerned about inflation holding above 2.0% target is also starting to view moderate economic growth as giving it some wriggle room to lower the Fed Funds rate from the current and restrictive level of 4.50%. A 25bps rate cut in September is likely, given the most recent comments from Fed Chairman Powell at the Central Banker's Symposium at Jackson Hole. Reducing the Funds rate further beyond may still prove to be a slow affair if moderate-paced US economic growth continues working in favour of higher tariffs passing through to higher consumer prices in the US.

In China, Q2 GDP growth was firmer than expected, up by 1.1% q-o-q, 5.2% y-o-y from +1.2 q-o-q, +5.4% y-o-y in Q1, but there are signs that growth is moderating in Q3. July economic readings were mostly softer than expected, other than exports where the relative strength is unlikely to persist. On the domestic spending front, July fixed asset investment moderated to 1.6% y-o-y from 2.8% in June; industrial production up 5.7% y-o-y in July was down from 6.8% in June; and retail sales moderated to 3.7% y-o-y in July from 4.8% in June. China's unemployment rate rose to 5.2% in July from 5.0% in June and house prices continue to decline, -2.8% y-o-y in July. Falling producer prices, -3.6% y-o-y in July and almost no inflation with the CPI up only

0.3% y-o-y tell the continuing story of substantial excess capacity. China's economy needs a substantial lift in spending by the household sector, but China's economic policies are still set against that occurring with no meaningful lift in budget spending aimed squarely at bolstering household disposable income and monetary policy still set at restrictive level (a real official interest rate above 3.0%).

In Europe, Q2 GDP growth was a little stronger than expected, up 0.1% q-o-q, 1.4% y-o-y from +0.6% q-o-q, 1.5% y-o-y in Q1. Growth in Europe is supported by a combination of relatively easy monetary policy – the ECB's deposit rate at 2.00% is the same as the EU's CPI, 2.0% y-o-y in July, and below the 2.3% y-o-y underlying CPI in July. Budget spending is also rising, driven partly by greater defence spending, but also by relaxation of rules holding restricting the size of the budget and government borrowing in Europe's biggest economy, Germany. Policy easing is helping to counter the negative impact of US trade restrictions on Europe's exports. Also, domestic spending is still supported by record-low EU unemployment at 6.2% in July.

In Australia, the RBA delivered a widely expected 25bps cash rate cut to 3.60% at the August policy and indicated the possibility of more cuts to come, albeit at gradual pace, and possibly taking the cash rate down to 2.85% over the next year. Further rate cuts depend upon inflation returning to the middle of the RBA's 2-3% target band in 2027 after a brief lift to around 3% through 2025-26. The RBA's inflation forecasts in turn depend upon demand, or GDP growth, not being too strong over the next two years. The RBA revised lower its growth forecasts in the May Quarterly Monetary Policy Statement to show only moderate improvement in annual GDP growth to around 2.0% y-o-y through 2026 and 2027.

The RBA's downward revisions to GDP growth prospects sit at odds with recent economic readings that point to quite pronounced acceleration in economic growth. In particular, spending on housing seems to be accelerating. Broader household spending also looks much stronger in Q2, up around 0.7% q-o-q in real terms. Business and consumer sentiment surveys have turned stronger. Wages growth was higher than the RBA expected in Q2 at 3.4% y-o-y while the unemployment rate is tracking a touch below RBA forecast at 4.2% in July. Q2 GDP growth out next week is tracking towards a 0.6% q-o-q or higher result. That would only lift annual GDP growth to 1.7% y-o-y or a little higher, but is above the 1.6% growth rate the RBA had for Q2 in the latest August forecasts.

Economic data running a little stronger than implied by the RBA's latest economic growth forecasts will not prevent the RBA from cutting the cash rate again, but it will delay delivering another rate cut until November when it has opportunity to reaffirm, or otherwise, that its inflation forecasts are still on track. Our view is that the way the GDP growth outlook is shaping up (a little stronger than the RBA's August forecasts) it will become increasingly doubtful whether inflation after the 2025-26 blip upwards will return to mid-2-3% band in 2027. That is likely to slow if not stop the RBA cutting rates after the next 25bps cut to 3.25% in November or December.

RATE AND YIELD CURVE COMMENTARY

The RBA cut the cash rate by 25bps to 3.60% at the August policy meeting and indicated that it could cut the cash rate further but slowly over the next year. The RBA's guidance about further rate cuts is in part a reaction to progress reducing inflation over the past two years, but is also contingent upon slow economic growth over the next two years. In the August Quarterly Monetary Policy Statement the RBA revised down forecast economic growth to no faster than 2.0% y-o-y through to the end of 2027. That in turn would mean the unemployment rate plateauing around 4.3% placing some downward pressure on annual wages growth falling from 4.4% y-o-y in Q2 2025 to around 2.9% in 2027. This slow growth outlook with moderating wage growth means that the RBA can 'look through' a forecast lift in the CPI to 3.1% y-o-y over the next year. The lift in inflation arises from one-off depressants of the annual inflation rate, such as government energy rebates, ending. Beyond, if the economy is lifting only slowly as the RBA is forecasting, inflation should return to the middle of the RBA's target band in 2027. If incoming data supports the RBA's latest forecasts, it can cut the cash rate cautiously by 25bps every three months or so and eventually to 2.85%. One problem is that the latest economic data are shaping up more strongly than is consistent with the RBA's latest forecasts. The unemployment rate was lower than expected by the RBA at 4.2% in July, wage growth was higher than expected in Q2 at 4.4% y-o-y and Q2 GDP out in early September is also looking firmer than is consistent with the RBA's forecasts. Our view is that the RBA may get one more rate cut away in November or December and then go on lengthy hold at 3.35%. The bond market seems to be reflecting our view. Over the past month, the 2-year bond yield has edged up by 2bps to 3.35% while the 10-year bond yield has risen a similar amount, by 2bps to 4.30%. We see shorter-dated bond yields trending higher over the next few months, above 3.50%.

In terms of the yield curve outlook, even taking the RBA's latest cash rate guidance, progress reducing the cash rate is going to be cautious with one more 25bps cut to 3.35% the cash rate in November or December likely. Over the next few months, a cautious rate cutting outlook implies a steeper yield curve with shorter-date bond yields, falling possibly in the very near-tern, and being much less prone to rise than the 10-year bond yield if the run of economic data continues to run stronger than the RBA's latest slow-growth forecasts. We see any curve-steepening being very brief. As inflation rises later in 2025 and in 2026 we see shorter-term bond yields starting to rise more sharply than longer term bond yields and a much flatter yield curve developing through 2026.

ADVISORY INVESTMENT STRATEGY

In the near term, we expect longer-dated fixed rates to remain relatively stable, though subject to periodic volatility. Looking ahead to 2026, these rates are likely to face upward pressure as market expectations adjust. Meanwhile, short- to mid-tenor fixed rates may also drift slightly higher as the market recalibrates to the pace and extent of RBA rate cuts. We anticipate credit spreads for highly rated banks to contract in the near term, with structured credit continuing to outperform due to its relative value and resilience. Perpetual maintains a positive outlook on adding long-dated floating rate investments to client portfolios, while also expressing tactical interest in medium-term fixed rate opportunities where appropriate.

Perpetual

Portfolio Performance

MONTHLY PERFORMANCE

The portfolio achieved a return of 0.43% for the month of August which was 0.11% above the benchmark AusBond Bank Bill Index return of 0.32%. The weighted average running yield on the portfolio is 4.67%.

Investment Policy Compliance		
Legislative Requirements	✓	Fully compliant
Portfolio Credit Rating Limit	✓	Fully compliant
Institutional Exposure Limits	✓	Fully compliant
Term to Maturity Limits	✓	Fully compliant

Perpetual

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Client Services: **1300 130 918**

Perpetual



Pricing Proposal

September 2025

Central Coast Council | Water and Sewer

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1 Executive Summary

1.1 Council's role and operations

Central Coast Council (Council) is a Local Water Utility located within the Central Coast Local Government Area (LGA). Council provides water services to a population of approximately 347,425, delivering water and sewer services to more than 139,392 homes and businesses, via a holistic model from catchment to tap. The Local Government Area (LGA) is approximately 1,680 square kilometres. In addition:

- Council provides approximately 80-83 million litres of drinking water each day.
- Council's water network is approximately 2,264 km of water mains.
- Council's sewer network is approximately 2,686 km of sewer mains.

Council's Water and Sewer Directorate's primary focus is to provide quality and reliable water and sewer services, as well as trade waste services to the Central Coast. Refer to Figure 1 for Council's water and sewer business functions.

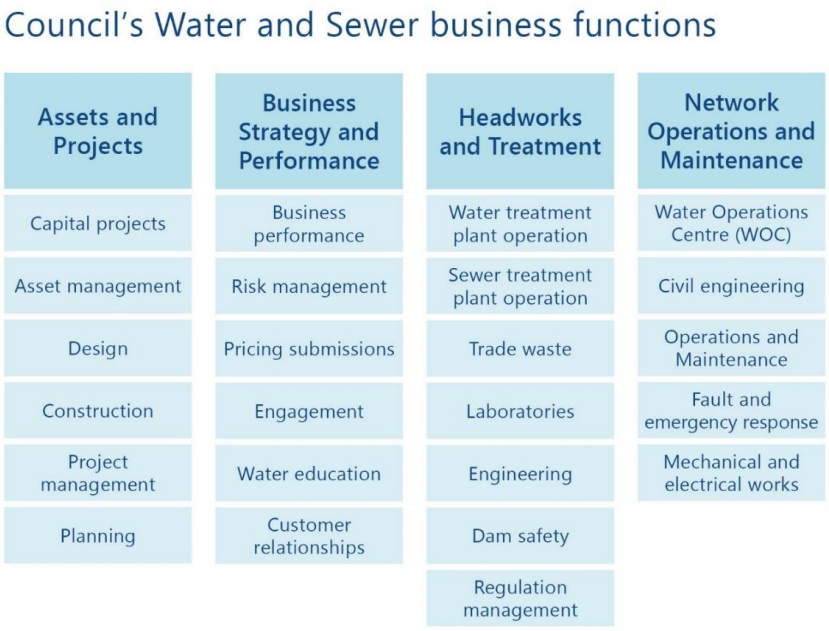


Figure 1: Council's Water and Sewer business functions

On the 1 April 2025, Council's status was removed as a Water Supply Authority under the *Water Management Act 2000*. Water and Sewer services are now legislated under the *Local Government Act 1993*.

Council services extend north through to Summerland Point, south to Mooney Mooney, east to the Tasman Sea and west to the border of Wisemans Ferry. Council provides the following functions:

- Harvest, collection, treatment, and delivery of drinking water in accordance with the *Public Health Act 2010*, and Guidelines set by the National Health and Medical Research Council.
- Collection, transport, treatment, recycling or discharging of effluent in accordance with the Environmental Protection Licences (EPL) issued by the NSW Environment Protection Authority (EPA) in accordance with the *Protection of the Environment Operations Act 1997*.

See Figure 2 for Council's water and sewer systems map.

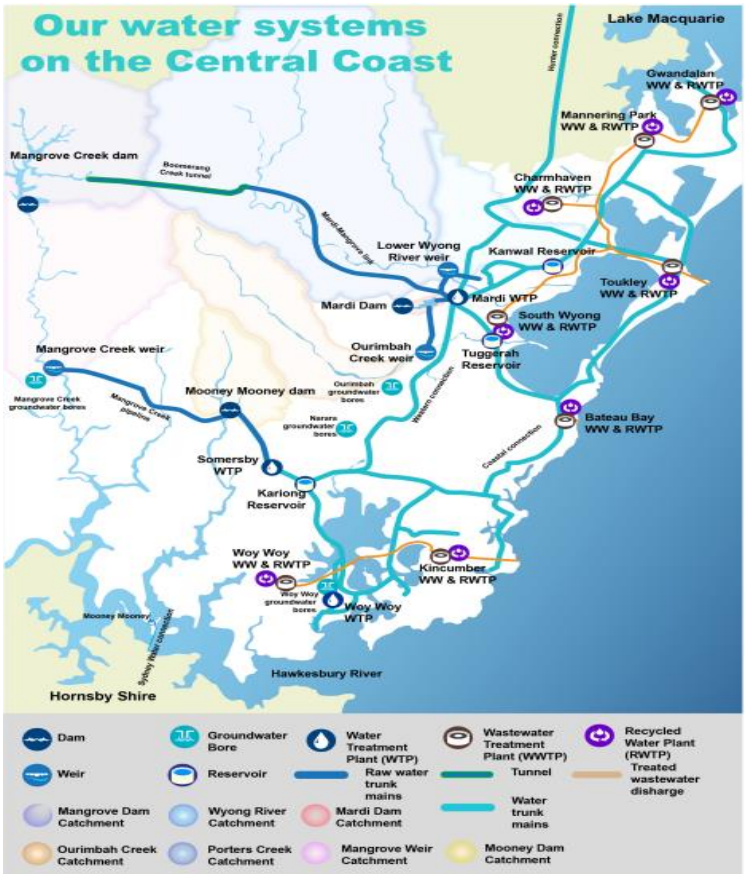


Figure 2: Central Coast Council water and sewer systems map

1.2 Regulation of Central Coast Council's water and sewer prices

Central Coast Council's water and sewer operations function as a natural monopoly and are therefore economically regulated by the Independent Pricing and Regulatory Tribunal (IPART) to ensure customer protection - preventing overcharging or under-service - while enabling efficient service delivery and infrastructure investment.

IPART sets the maximum prices that Council can charge its customers for water and sewer services.

Council is almost at the end of the current set pricing period (1 July 2022 - 30 June 2026). This Proposal has been submitted for IPART review, to cover the next pricing period of 1 July 2026 - 30 June 2031, with prices coming into effect from 1 July 2026.

1.2.1 IPART's 3Cs Regulatory Framework

In July 2023, IPART released a revised Water Regulation Handbook (version 2), implementing the enhanced 3Cs framework. Key highlights include:

- Customer value: Councils must demonstrate how their proposals align with community priorities through early engagement
- Cost efficiency: Pricing proposals must reflect prudent costs and measurable efficiency targets
- Credibility: Robust governance, transparent planning, and reliable long-term forecasting are required.

The Handbook also formalises a structured process for water utilities to engage early with IPART, checking in 1–2 years before formal pricing submissions to refine scope, data, and community feedback.

Council have prepared this Proposal, in alignment with IPART's regulatory framework.

The results of the customer engagement have been threaded through Council's proposal in relation to expenditure, service levels, outcomes, and accountability.

The design and the effort invested in the customer engagement journey resulted in key findings that allowed Council to understand customer priorities. The key priority relating to cost of living (keeping prices low) while still maintaining appropriate service standards.

Council has reviewed all forecast revenue requirements understanding that:

- Maintaining and where possible improving asset performance efficiently without jeopardising service standards.
- Keeping a focus on the future regarding growth and water resilience
- Protecting the environment
- Keeping prices at a level that considers cost of living pressures and
- Delivering on the actions identified in the submission and being accountable to the community in order to build trust.

1.3 About this document

Central Coast Council's Water and Sewer *Pricing Proposal* (the Proposal) is a summary of the services, actions and expenditure Council intends to provide to our community, as well as prices proposed, from 1 July 2026 to 30 June 2031.

The Proposal is supported by 11 technical papers that provide clear operational and capital forecasts, future connections, water demand forecasts, service levels, customer engagement insights and Council's self-assessment against the 12 principles within IPART's 3Cs framework of customer, cost, and credibility. The Proposal also includes a summary of the performance against the current determination period of 2022-2026.

The technical papers are:

- Technical paper 1 Customer and community engagement
- Technical paper 2 Service levels
- Technical paper 3 Form of regulation
- Technical paper 4 Capital expenditure
- Technical paper 5 Operational expenditure
- Technical paper 6 Revenue requirements and financial metrics
- Technical paper 7 Demand for services
- Technical paper 8 Pricing of water and sewerage
- Technical paper 9 Pricing of other services
- Technical paper 10 Our role, operations, and operating context
- Technical paper 11 Accountability, customer influence and self-assessment.

In addition, the Proposal includes:

- An overview of customer and community engagement insights
- Self-assessment against IPART's 12 principles
- Forecast efficiencies and
- Prices that Council propose to bill customers from 1 July 2026.

The Independent Pricing and Regulatory Tribunal (IPART) will determine the prices for Council's services following a thorough review of this proposal. These prices may differ from those in this proposal.

- All forecast and historical expenditure (capital and operating) is shown in $2025-26
- All historical and forecast revenue is shown in $2025-26
- All prices from 1 July 2026 are shown in $2026-27.

Council thanks the community and stakeholders for helping to prepare this Pricing Proposal and encourage all our customers and wider community members to participate in the price review process that IPART will facilitate, commencing November 2025.

Customer



2 Proposal overview

Central Coast Council's IPART proposal is built around IPART's new 3Cs regulatory framework of Customer, Cost, and Credibility. It focuses on the twelve guiding principles, that ensures customer and community engagement informs values and outcomes, costs are efficient and reflect these values, and Council give assurance and a commitment to deliver them over the 2026-31 determination period.

Council proposes a standard submission and presents the initiatives with the systems, processes, data, and long-term planning in place to promote good decisions and efficient expenditure. The two **focus principles** that have been guided by our community engagement are:

Principle 1: Customer Centricity - Customers and the community influencing business decisions and outcomes.
Principle 7: Robust Costs - Delivering services efficiently and incorporating community values into forecast expenditure.

Council's focus principles also align with both Central Coast Council's Water and Sewer Vision and Purpose.

Our Vision *To be a trusted service provider for the Central Coast community and place our customers at the centre of everything we do.*

Our Purpose *To provide water and sewer services that preserve our environment and maintain the liveability and health of the Central Coast community.*

2.1 Community values and outcomes

Council knows that the decisions it makes affect thousands of people every day, which is why the commitment to listening, learning, and working alongside our community is important.

Council's approach to engagement is simple: keep it consistent, clear, and collaborative. Whether it's shaping pricing, improving service delivery, or future planning, it is important to involve the community through authentic, genuine engagement.

Council has adopted the Customer Experience Strategy and Community Engagement Approach. The aim is to build trusted relationships, create opportunities for participation, and ensure the community voice informs priorities. Council's approach follows these principles:

- Respect and transparency
- Access and inclusion
- Clarity
- Accountability and improvement
- Capacity.

To enhance community engagement and ensure informed public input into key decision-making processes, Council introduced the People's Panel in late 2024. This representative group was independently recruited to reflect the diversity of the Central Coast community and was established to contribute to initiatives such as the upcoming water pricing proposal.

2.1.1 Engagement program

Council engagement roadmap started in 2021, and the topics and services Council sought feedback on went over several phases.

- ***January 2021*** focused on the Central Coast Council Water Security Plan.
- ***Phase 1 and 2*** focused on Improving your water and sewer services and understanding community values.
- ***Phase 3*** retested community values, including Council's performance related to services levels and bill structure.
- ***Phase 4*** focused on future services options and the community's appetite for paying to improve services. This included bill apportionment e.g., higher usage charge and lower service charge and vice-versa.
- ***Phase 5*** Closing the loop providing feedback on how community feedback has been built into the proposal.

Figure 3 below outlines the blueprint of the engagement journey. For further detail on Council's engagement program, please refer to *Technical paper 1 Customer and community engagement*.

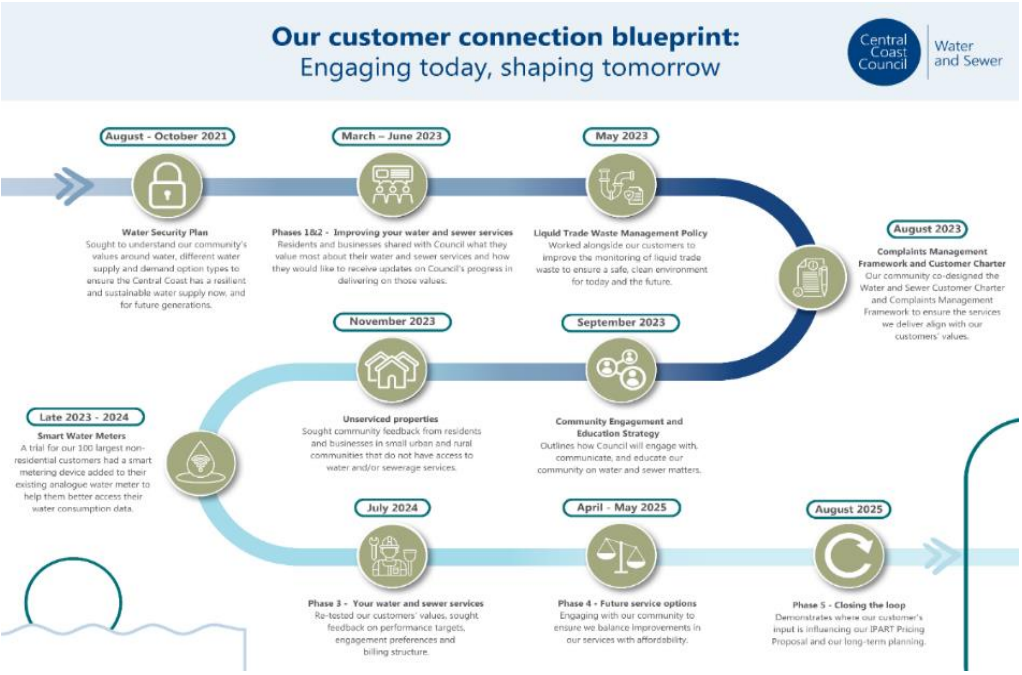


Figure 3: Customer engagement blueprint

2.1.2 Delivering on customer values

Council proposes to achieve and improve the performance targets related to water quality meeting community expectations. The water quality target will be reduced from 7 to 5 per 1,000 properties. Council will continue to monitor and improve the performance against all service level targets.

Table 1: Key areas of improvement linked to community engagement describing the key operational focus over the 2026-31 determination period.

Table 1: Key areas of improvement linked to community engagement

Value	Outcomes	How we will achieve this
WATER		
Quality water	• Clean, clear, and safe to drink. • Good taste and smell • Water content is tested/monitored regularly.	• Compliance with the Australian Drinking Water Guidelines. • Increase the length of mains cleaned using closed loop filter cleaning. • Online/real-time monitoring of chlorine residual at sampling points. • Increased sampling for PFAS[1] in water catchments. • Continued sampling and testing of water catchments, dams, treatment plants, trunk mains, reservoirs, and reticulation mains. • Increased reservoir cleaning. • Continued increase to hydrant flushing. • Water Mains renewal programs.
Reliable service	• Consistent water supply • Good water pressure • Well maintained network, reducing leaks. • Responding to faults and issues quickly.	• Continue to increase planned maintenance and asset inspections. Including analysis of failure patterns to inform preventative maintenance schedules. • Improve our response time management articulated in the Customer Charter. • Increased leak detection program to 2200 kms of main per annum. • Introducing twelve-hour rostered coverage to improve response time (on trial). • Continued mains renewal programs. • Improving SCADA[2] monitoring. • The use of S-Gate[3] valves to reduce number of properties impacted by water outages.
Affordable	• Cost efficient – keeping costs as low as possible. • Consistent bills over time (predictable) • Fair allocation of costs between customers.	• Engaging with our community regarding tariff structures. • Implementation of Council's Water and Sewer Cost Efficiency Strategy. • New Water and Sewer Concessions and Rebate Policy (on exhibition). Creating a single, streamlined approach to providing financial assistance for customers facing hardship due to home dialysis, concealed leaks, or sewer connection costs. • Using Council cash reserves to assist in bill affordability.

[1] PFAS, or per- and polyfluoroalkyl substances, are a group of man-made chemicals that have been widely used in various industrial and consumer products since the 1950s.
[2] SCADA Supervisory Control and Data Acquisition a system that monitors and controls water distribution network including water reticulation, reservoirs, and pump stations. sewage collection and treatment.
[3] S-Gate valve is an innovative product where a resilient seated valve can be installed under pressure on pipes.

Value	Outcomes	How we will achieve this
Effective planning	• Have enough water for increased population. • Using a variety of resources for non-drinking purposes and to deal with varied climate conditions. • Collecting and reusing more water at household.	• Desalination Readiness. • CCC Water Resource project. • Update Water Demand Forecast and Tools. • Porters Creek Gap Analysis and study scoping. • Central Coast Water Security Plan (CCWSP) Option Development. • Recycled Water Regulatory Approval Planning. • Catchment Hydrology Peer Reviews and Updates. • Raw Water Quality Investigations. • Water Conservation Framework and Economic Level of Water Conservation (ELWC) Planning. • Domestic booster pump implementation. • Integrated Water Servicing Plan. • Distribution Network Water Quality Model & Strategy. • Implementation of Masterplan Initiatives Water. • Charmhaven Reticulation Survey.
Transparency and education	• Providing clear, easy to understand information and good communication. • Raising community awareness about water supply and water conservation. • Transparent pricing and costs – showing where money is spent. • Greater public trust that Council has the expertise and resources needed to deliver on its promises.	• Flow Forward and Love Water education campaigns fostering long-term habits of water use, helping schools cut water waste, fix leaks, and lower water costs. • Accountability Strategy that links expenditure to community values and shows progress against our commitments made in the pricing proposal. • Continued information regarding progress against our Delivery Plan and Performance.
SEWER		
Quality treatment	• No health impacts on customers or workers • Suitable effluent quality • Minimal odours.	• Kincumber Sewage Treatment Plant (STP)Installation of new dewatering facility. • Charmhaven STP - major augmentation works to improve removal of nitrogen and solids to the outfall at Norah Head. • Improvement in septicity management in the Toukley STP catchment areas in addition to refurbishment of the odour control bed at the inlet works. • Climate Change Action Plan (CCAP) actions to address impacts of climate change and greenhouse gas emissions.
Reliable service	• Minimal overflows, broken pipes - responding quickly to issues.	• Use of new and innovative p-CAT[4] technology for the condition assessment of large sections of Charmhaven and Wyong South Effluent Disposal Mains (EDM). This allows Council to perform the site works related to condition assessment of these critical sewer mains within a couple of

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

Value	Outcomes	How we will achieve this
	• Suitable infrastructure, well maintained.	days with minimal environmental impacts. No excavation is required to physically expose the mains for pipeline scanning as with older condition assessment techniques. • Using pushrod cameras allowing operators to quickly get a visual inspection to ascertain what is causing the sewer blockage and how to best clear the blockage. Can be used to find illegal connections as well as damage from third party damage. • Improve the safety, efficiency, and accuracy of sewer inspections, using a custom-built, remote-controlled vehicle (ROV). It has successfully scanned more than 640m of sewer pipe between Terrigal and North Avoca (the longest stretch a vehicle of this type has ever completed). • Development of both the Dry and Wet Weather Surcharge Strategies.
Effective planning	• Long-term planning to ensure the sewer service is sufficient for future needs. • Using the latest technology/innovations/learning from other countries • Adaption to changing climate.	• Emission reduction strategies. • Odour and Corrosion Strategy with a view to reduce unpleasant odours and corrosion. • Biosolids Strategy to assess onsite power generation. • Asset Resilience Strategy to ensure asset infrastructure can withstand impacts of climate change and other natural events. • Development of both the Dry and Wet Weather Surcharge Strategies. • Implementation of Masterplan Initiatives Sewer • Overflow relief gully upgrade program
Environmental focus	• Protecting the oceans and marine life • Using renewable power for treatment plants • Greater use of biosolids.	• Benthic study to assess the ocean condition at Council's ocean outfalls (cyclical study). • The Biosolids Strategy which reviews better use of biosolids for energy generation.
Transparency and education	• Providing clear east to understand information and good communication. • Raising community awareness – what to put down the toilet, implications of not doing this, what happens to waste. • Transparent pricing and costs – what the service fee is made up of. • Easier accessible water safety ratings	• Continued Dunny Do's and Dunny Don'ts educational campaign to raise awareness about responsible toilet and sink habits. The initiative highlights the dangers of flushing inappropriate items down the toilet, such as wipes and sanitary products, and the significant impact these actions have on the sewerage system and the environment. • Accountability Strategy that links expenditure to community values and shows progress against our community promises. • Continued information regarding progress against our Delivery Plan and Performance.

Value	Outcomes	How we will achieve this
	for beaches and recreation areas. • Greater public trust that Council has the expertise and resources needed to deliver on promises	

2.1.3 Plans for determination period 2026-31

Over the next determination period Council will focus on:

Performance - *getting better at what matters to our community with a focus on:*

- Environmental obligations
- Regulations and compliance requirements are met
- Service delivery
- Asset management
- Effective future planning
- Improving financial acumen and
- Improving response time management.

Productivity - *improving how we work through:*

- Using innovative solutions
- Building efficiencies into delivery
- Business improvements with process and data and
- Improving asset performance.

Promises - *meeting our obligations to our community by:*

- Meeting or exceeding service level targets
- Building trust through open and transparent information
- Providing value for money
- Building customer centricity through engagement and communication
- Educating the community
- Making it easy to talk to us
- Helping the community when they need it and
- Being accountable.



Figure 4: Council laying pipework

3 Forecasts

3.1 Forecast population and dwellings

The demand for residential water supply is largely driven by the demographics of the region. The population, dwelling type, and occupancy (persons per dwelling) are key elements for water demand modelling. These demographics and growth forecasts are informed by the previous analysis by Council's consultant (.id). Table 2 shows the estimated dwelling up to the next determination period, Figure 5 shows forecast population.

Table 2: Forecast growth in residential dwellings

Year	Estimated Single Dwellings	Estimated Multi Dwellings
2023-24	122,847	30,162
2024-25	123,594	30,676
2025-26	124,400	31,169
2026-27	125,223	31,633
2027-28	126,094	32,077
2028-29	127,011	32,448
2029-30	127,962	32,830
2030-31	128,931	33,205

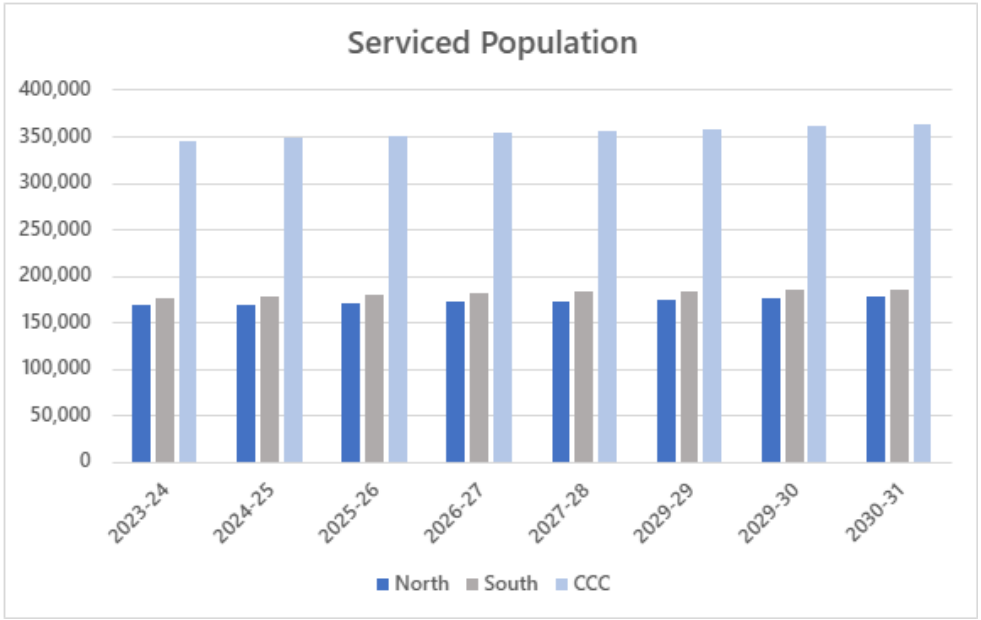


Figure 5: Forecast serviced population up to 2031

The Central Coast has a mix of dwelling types including residential single houses, units, and flats. Council used Australian Bureau of Statistics (ABS) data (Census) to determine the future population in single and multi-dwellings, and .id (Informed Decisions) estimated the resident population in private dwellings and the average occupancy rate. This data is combined to provide the total number of occupied dwellings, subdivided into standalone houses and units/flats. The ratio of single dwellings to total dwellings has steadily been decreasing. It has dropped from 82% in 2016 to 81.1% in 2021 and downward trend is forecasted to continue and reach 79.5% by 2031. Refer Figure 6 Forecast dwellings up to 2031.

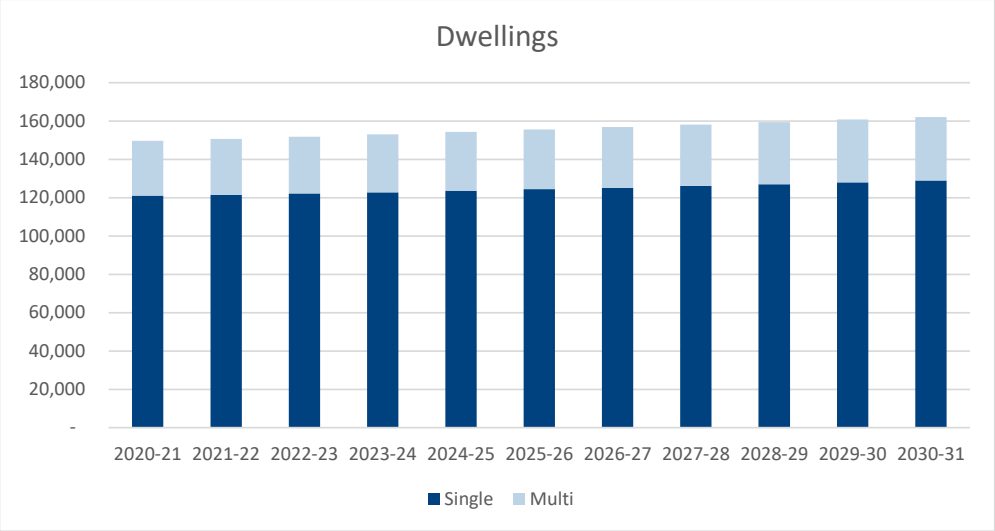


Figure 6: Forecast dwellings up to 2031

3.1.1 Forecast sales

Council has used the newly built Integrated Supply Demand Planning (iSDP2.0) model to forecast the water sales forecast. The updated model is a hybrid approach which combines ground-up estimation of residential water demand through individual end uses (e.g., shower, toilet), and top-down estimations of non-residential water demand for each sector. The main advantage of this method is that it accounts for known changes in residential water efficiency in the near to mid-term. Figure 7 shows end-use modelling logic.

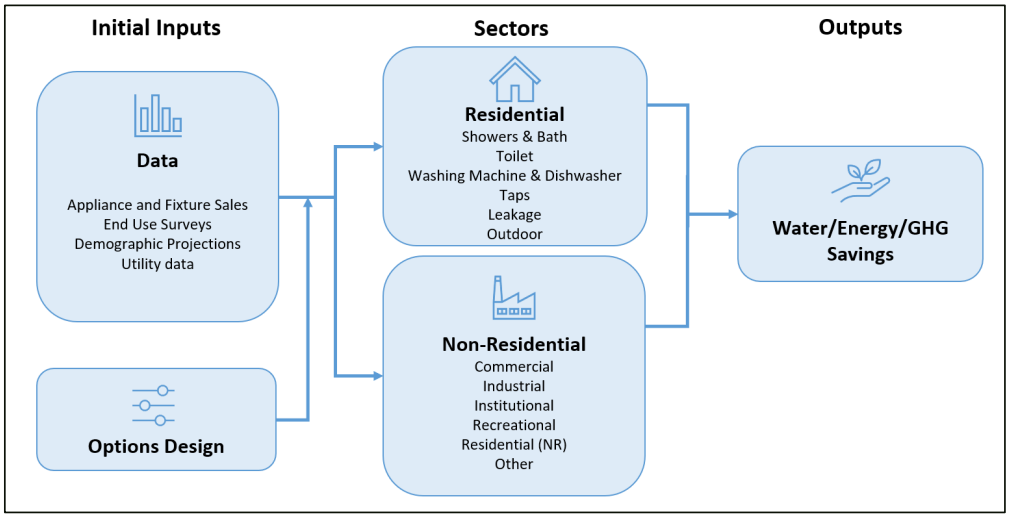


Figure 7: End use modelling logic

Table 3 provides the forecast water sales for residential and non-residential sectors in megalitres/year for the pricing period. The forecast figures also include exempt customers usage.

Table 3: Water sales forecast (ML)

Category	2026-27	2027-28	2028-29	2029-30	2030-31
Residential	20,826	20,993	21,090	21,086	21,330
Non-residential	7,623	7,666	7,688	7,709	7,754
Total	28,449	28,659	28,778	28,795	29,084

3.1.2 Forecast Sewer discharge volumes

Sewer usage for residential customers is based on property type and levied at a fixed charge to reflect the deemed usage. The deemed sewer usage is as follows:

- 125kL for standalone residential properties.
- 80kL for residential properties within multiple or mixed multiple premises.

Non-residential customers within mixed multiple premises have a deemed sewer usage of 125kL and are charged a fixed rate to reflect this. All other non-residential customers are liable for a volumetric sewer usage charge.

Sewage discharge volumes are a function of water sales. A sewage discharge factor is applied to water sales to reflect the estimated portion of metered water usage discharged into the sewerage system.

Only three of Council's non-residential customers are separately metered for sewage discharge. For other non-residential customers, a customer-specific discharge factor is applied based on the nature of the customer's business. See Technical Paper 8 for more detail on the deemed sewage discharge allowance and sewage discharge factors.

Variances between forecast and actual sewage discharge volumes reflect variances in overall non-residential water demand, as well as the mix of non-residential customers with different discharge factors (refer to Table 4).

Table 4 Sewage volumes for non-residential customers

(ML/year)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
IPART 2021 Determination		4,023	4,043	4,064				
Actual (including wastewater usage from customers with a sewer meter)	3,964	4,147						
Forecast based on ratio of actual sewage and water usage charges			4,085	4,163	4,186	4,198	4,210	4,234

3.2 Affordability

A critical value our customers and community communicated to Council was the cost-of-living crisis and the importance of affordability. Currently, 30% of household income on the Central Coast are classified 'low income' (gross weekly individual income less than $800).

The remainder of the population is made up of low/medium to high level income ranging from $1,200 to $3,135 per week (household income 2021 Census). Refer Figure 8 for household income bands.

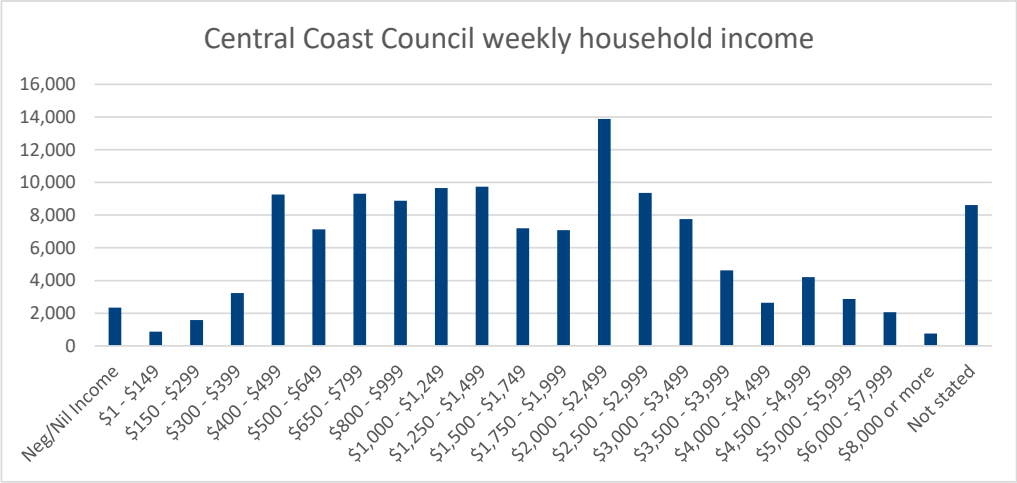


Figure 8: Central Coast Council weekly household income

The costs for operating water and sewer services are increasing due to economic pressures in relation to contractors, consultants, materials, and energy. In response to these economic pressures, Council will be using a total of $75.9M in reserves ($2025-26) to assist in funding operational expenditure to reduce prices and with consideration of affordability to the community.

This has reduced the impact of increased revenue and reduced the impact on price increases for our community by 6.5% or $102 ($2026-27) $1,778 to $1,676 ($2026-27).

In addition, as grants become available Council will investigate and apply.

Results from the community engagement indicated that to address affordability, service charges should be low with an increase to the usage charge allowing more control over the bill.

Costs



4 Prices for the next pricing period (2026-2031)

4.1 Key points

- Total bills increasing from $1,553.23 in 2025-26 ($2026-27) to $1,676.36 in 2026-27 ($2026-27) an 8.0% increase.
- Water usage charge will reference the LRMC it will increase from $2.70 in 2025-26 ($2026-27) to $3.18 in 2026-27 ($2026-27) a 17.8% increase.
- Water service charge for a 20mm meter will decrease from $366.04 in 2025-26 ($2026-27) to $222.92 in 2026-27 ($2026-27) a 39.1% reduction.
- Water usage charge will increase (based on 180kl) from $486.00 in 2025-26 ($2026-27) to $572.40 in 2026-27 ($2026-27) a 17.8% increase.
- Sewer service charge will increase from $561.19 in 2025-26 ($2026-27) to $766.64 in 2026.27 ($2026-27) a 36.6% increase.
- The sewer usage charge will decrease from $1.12 in 2025-26 ($2026-27) to $0.92 in 2026.27 ($2026-27) a 17.9% reduction.
- Currently Council provides pensioners with a reduction of 50% of the water supply service and water usage charges levied up to a maximum of $87.50 per annum. A further reduction of 50% of sewer service and sewer usage charges is levied up to a maximum of $87.50 (residential customers only).
- Proposed revenue $1,307.7M ($2025-26) for 2026-31.
- Proposed operational expenditure $703.3M $2025-26) for 2026-31.
- Proposed capital investment $577.8M ($2025-26).

4.2 Proposed bills

Beginning in 2023 and extending to 2025, Council initiated engagement with our community regarding:

- **Bill structure** – one jump and remain stable other than consumer price index (CPI) for the remainder of the determination period or a gradual increase (flight path) each year over the determination period (also increasing with CPI). Alternatively starting with higher bill in year one and then decreasing over the determination period.
- **Bill control -** The apportionment of the bill between usage and service charges. The scenarios were a higher water usage charge and a lower service charge, lower usage charges and higher service charges or evenly split.

Generally, the community preferred one increase in the bills and then to remain stable (other than CPI). In addition, the preference was to have a higher water usage charge, as it would allow better control over the bill. The forecast bill shows the split that 78% is from water usage and 28% from service charges. Sewer charges are different where most of the bill comes from the service charge and not the deemed usage.

Council's proposed bills show an 8% ($Real $2026-27) increase. Table 5 shows the split between water and sewer in $2026-27.

Table 5 Proposed bills over the determination period $2026-27 based on 180KL water usage (house)

Proposed bills over determination $2026-27								
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Average over the 2026 determination	% Increase
Water	851	795	795	795	795	795	795	-6.6%
Sewer	701	881	881	881	881	881	881	25.6%
Total	**1,553**	**1,676**	**1,676**	**1,676**	**1,676**	**1,676**	**1,676**	**8.0%**

Table 6 and

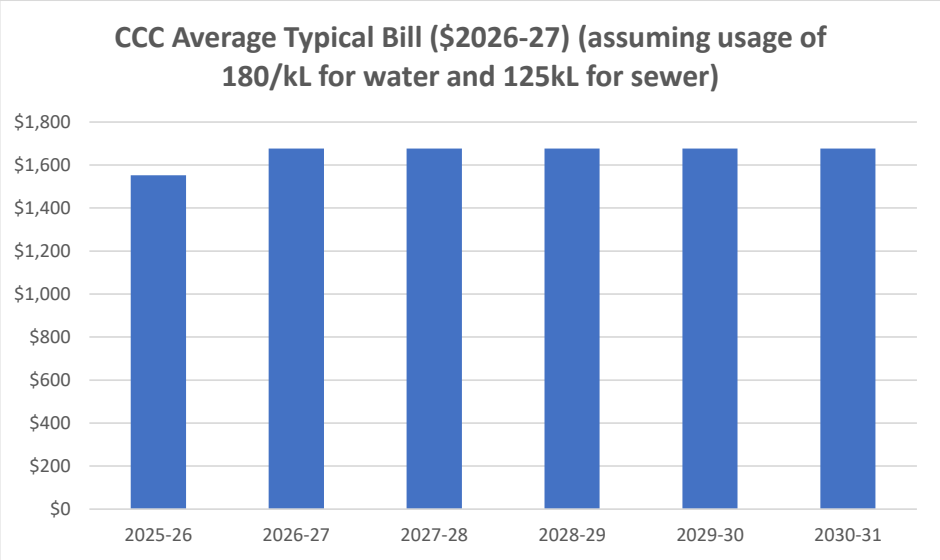


Figure 9 below shows the average increase from the 2025-26 (last year of current determination) bills to the 2026-27 (first new of new determination period).

Table 6: Current and proposed typical residential bills ($2026-27)

Assumptions 3 bed houses 1x20mm meter Annual metered water usage of 180kL*	2022 Current Determination 2025-26 Central Coast Council LGA ($2026-27)	2026 Proposed Determination 2026-27 Central Coast Council LGA ($2026-27)
Water service	366.04	222.92
Water usage (kL x usage charge)	486.00	572.40
Sewer service (includes usage @125Kl x usage charge)	701.19	881.04
TOTAL bill	**$1,553.23**	**$1,676.36**

*kL = kilolitre = thousand litres, sewer service charge for residential includes 75% discharge allowance.
Stormwater drainage has been removed as this is no longer part of the proposed determination period.

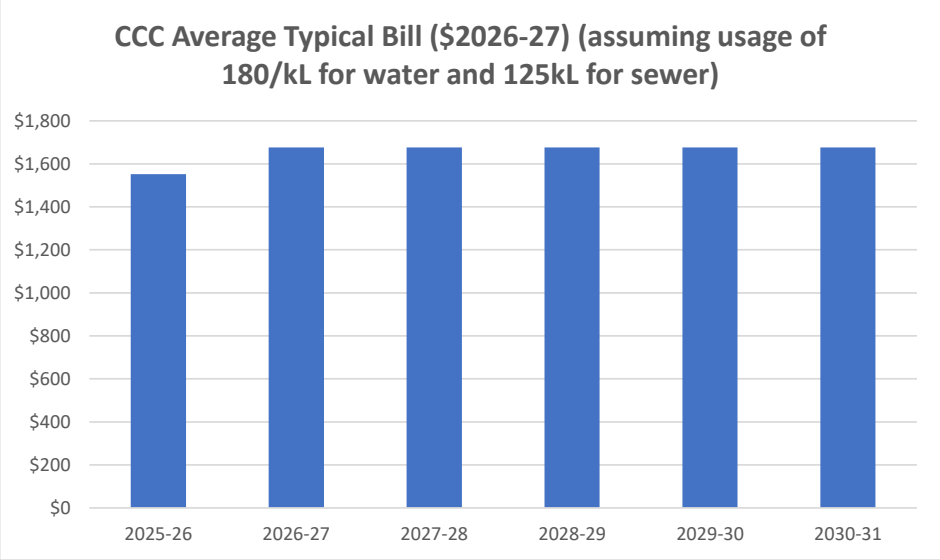


Figure 9: Average typical residential bill compared to current bills 2025-26 ($2026-27)

4.2.1 Forecast Revenue

Council has calculated target revenues required over the five-year period to 30 June 2031 using the Independent Pricing and Regulatory Tribunal's (IPART) Building Block Model (BBM). The model allows a utility to calculate revenue that is used to set both the usage and service charges for water and sewer services.

The notional revenue requirement (NRR) is the sum of the following cost allowances:

- Operating expenditure
- Return of capital (depreciation[5])
- Return on regulatory asset base (RAB)
- Return on working capital.
- Tax allowance

The target revenue over the determination period totals $1,307.7M ($2025-26) and summarised in Table 7 below.

Table 7 Proposed revenue requirements total ($2025-26 $M) – totals may not balance due to rounding

	2026-27	2027-28	2028-29	2029-30	2030-31	Total revenue	5-year NPV
Sales revenue	253.3	255.1	256.5	257.6	259.6	1,282.1	**1,158.2**
Other regulated revenue	5.7	5.0	5.0	5.0	5.0	25.7	**23.2**
Target revenue	**259.1**	**260.1**	**261.5**	**262.5**	**264.5**	**1,307.7**	**1,181.4**
Notional revenue requirement	267.0	254.1	258.0	263.6	264.6	**1,307.3**	**1,181.4**

[5] Depreciation allows Council to recover capital investments over the asset's useful life.

To calculate the forecast revenue the following assumptions were applied:

- The Regulated Asset Base[6] (RAB) increases over time due to new capital investment (mainly in sewer).
- The Weighted Average Cost of Capital (WACC) used is 3.3% based on current forecast trends related to both the cost of debt and equity.
- Council has made a revenue adjustment for the cost of debt true-up[7], which is an upward adjustment to revenue. A revenue adjustment of $9.0M for sewer and $8.8M for Water.
- Proposed target revenue is higher in the upcoming pricing period, due to increases in sewer required revenue.
- The main drivers of the higher sewer target revenue are:
    - High proportion of sewer capital spend on upgrades at Charmhaven and. Gwandalan Sewage Treatment Plants (STPs) (increasing the return on the regulated asset base).
- Proposed target revenues pass IPART's financeability tests.

4.3 Major capital projects and outcomes for the next determination period (represented in $2025-26)

Council is proposing $577.8M of capital investment over the coming five-year price path. This is an increase from the 2022 determination's annual average allowance of $73.9M to a forecast annual average of $115.6M.

Council's first draft proposed 5-year program totalled an average of $135.6M per annum. This included projects already committed in the current determination, forecast renewal works, rectifying identified defects within the network, growth driven upgrades and a forecast for assets predicted to fail within the proposed determination period. Council performed further refinements and reprioritised its program, focusing on deliverability of works, factoring resources both internal and current market trends as well as community preferences of keeping costs for the customer low to ease cost-of-living pressures within our community and the risk of projects not proceeding. Further refinements of budget estimates and smoothing of expenditure over the period occurred, which resulted in the revised program.

The key investment themes for the next determination period are centred on the customer values of reliable services, good quality water, quality treatment (sewage) and effective planning. The customer value of environmental focus is also intrinsic to most of the reliability driven projects, particularly those related to sewer assets. The associated projects are a mixture of asset renewals to address ageing infrastructure risks and growth-related projects to meet the needs of a growing region.

[6] RAB also referred to as the Capital base which is the value of all assets on which Council require returns.
[7] Cost of debt true up is the mechanism used to reconcile differences between estimated cost of debt used to set prices and the actual cost of debt incurred by the business at the end of the regulatory period.

Tables 8 and Table 9, highlight the capital expenditure aligned to community values.

Table 8: Proposed water capital expenditure by customer value $2025-26

Water ($M)	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Effective planning	1.1	4.0	4.9	10.4	5.8	26.2
Good Quality Water	0.3	0.3	0.0	0.0	0.0	0.5
Reliable service	10.8	14.9	16.6	20.5	23.3	86.2

Table 9: Proposed sewerage capital expenditure by customer value $2025-26

Sewer ($M)	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Effective planning	110.5	88.8	40.9	40.3	10.3	290.8
Quality treatment	5.1	13.7	10.5	9.1	11.1	49.5
Reliable service	32.4	28.3	19.8	22.1	21.9	124.6

Council is continuing the delivery of major projects during the next determination period in alignment with the customer values of effective planning and environmental outcomes. Planning is underway to commence the delivery of the Kiar Ridge Reservoir in response to active development in the Northern Growth Corridor[8]. In addition, a Major upgrade to the Charmhaven Sewage Treatment Plant, Bateau Bay, Gwandalan, and Toukley.

Progression of the delivery of the major upgrades to Charmhaven Sewage Treatment Plant, is underway with the planning and design of significant improvements to a number of the sewage treatment plants. These are being informed by the recently completed condition and performance review project and previous asset planning studies.

For further detail on capital expenditure please refer to *Technical Paper 4 Capital expenditure*.

4.4 Operational expenditure

Council has aligned the operational expenditure to the community values. This will allow the community to follow both the costs and activities aligned to service delivery.

Table 10 below shows Council proposed operational expenditure for water and sewer.

Table 10 Water and sewer operational expenditure forecast in Base Trend Step ($2025-26)

Component $M	2026-27	2027-28	2028-29	2029-30	2030-31	Total

[8] The Northern Growth Corridor on the Central Coast of NSW refers to the area stretching from Tuggerah to Warnervale, encompassing Wyong, and is connected by the Pacific Highway. It's a priority area for service and business growth and includes three strategic areas: Tuggerah, Wyong, and Warnervale.

Base	133.2	133.2	133.2	133.2	133.2	666.1
Trend - Subtotal	1.4	1.7	2.1	2.8	3.4	11.4
Step changes	6.2	4.7	3.5	5.3	2.9	22.6
Controllable expenditure	**140.8**	**139.7**	**138.8**	**141.3**	**139.6**	**700.1**
Non-controllable	0.6	0.6	0.6	0.6	0.6	3.1
Total operating expenditure	**141.4**	**140.3**	**139.5**	**141.9**	**140.2**	**703.3**

4.4.1 Proposed expenditure efficiencies.

Council has developed a cost efficiency strategy built on a continuous improvement cycle, designed to identify, implement, and assess efficiency initiatives. Its cyclical nature ensures Council remains proactive in seeking opportunities to operate more efficiently, consistently delivering high-quality services at the lowest sustainable cost to our customers.

Council have set a cost efficiency target of 0.7% per annum for our forecast operating and capital expenditure over the upcoming determination period. This equates to $31.6M ($2025-26) in total cost savings over the 2026-31 period.

4.4.2 How does our expenditure compare?

In comparison with other major utilities in Australia, in 2023-24 Council had the second lowest operational costs per property for water (behind Hunter Water). Council's sewer operational costs had the fourth lowest operating costs per property. Council treats all sewage to a secondary and in some instances a tertiary level[9], where it is used for recycled water. This additional secondary treatment of sewage increases the operational costs however have a positive environmental outcome.

The low operating costs are despite having a relatively long water and sewerage network servicing the population served due to the geography of the region and the physical barriers created by the lakes, estuaries, and lagoons.

The most recent NPR reporting (2023-24) highlights that Council continues to be a low-cost service provider. (Refer Figure 10 and Figure 11).

- [9] **Primary Treatment:** This initial stage removes large solids, debris, and grit from the wastewater. It often involves screening and sedimentation tanks where solids settle to the bottom, and oils and grease float to the top for removal.
- **Secondary Treatment:** This stage relies on biological processes, typically using bacteria to break down organic matter and reduce pollutants like nitrogen and phosphorus. Various methods, such as activated sludge or biological trickling filters, can be employed.
- **Tertiary Treatment:** This optional, advanced stage further polishes the treated wastewater to improve its quality. It may involve advanced filtration techniques like reverse osmosis or microfiltration, followed by disinfection to remove any remaining pathogens.

For further details on operating expenditure refer to *Technical Paper 5 Operational expenditure*.

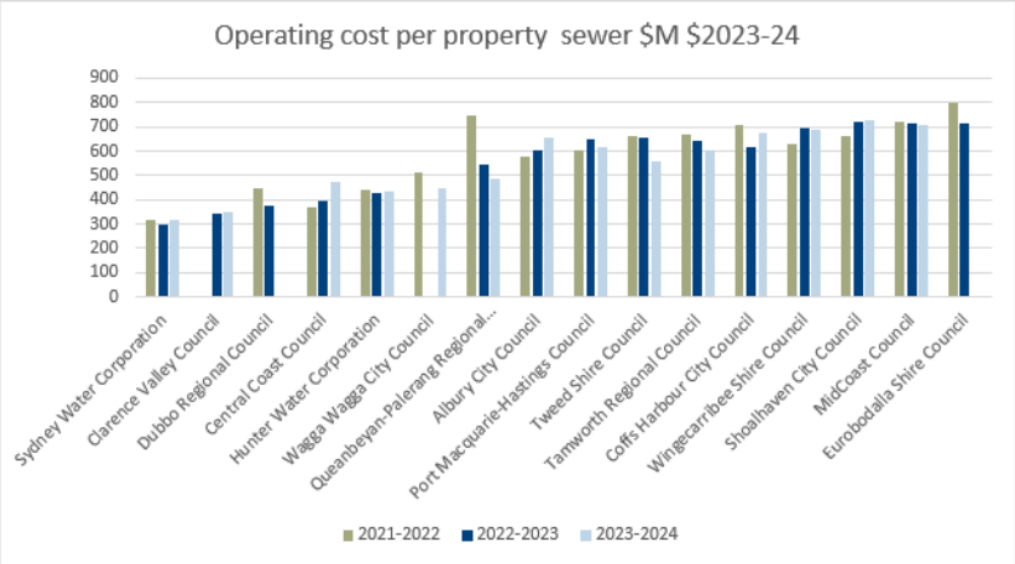


Figure 10: OPEX cost per property 2023-24 source: National Performance Reporting (NPR)

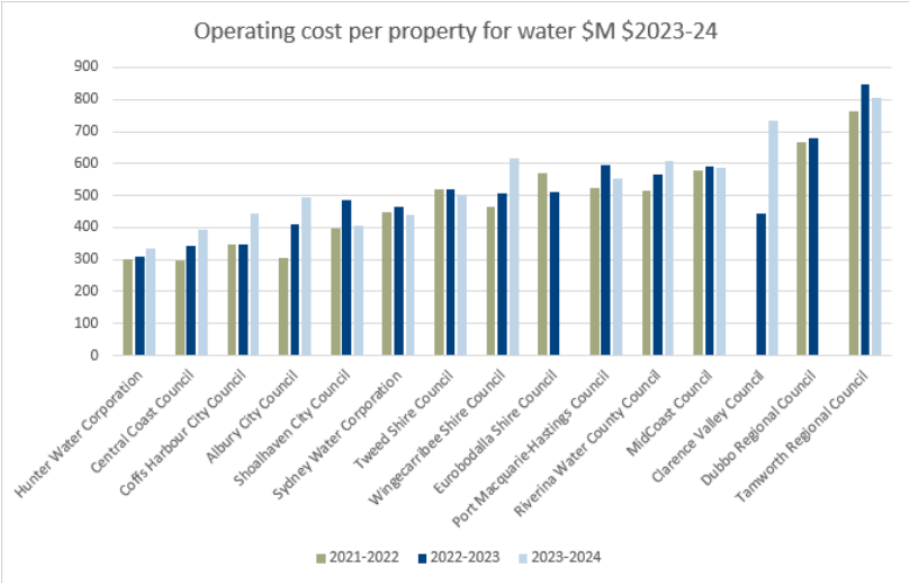
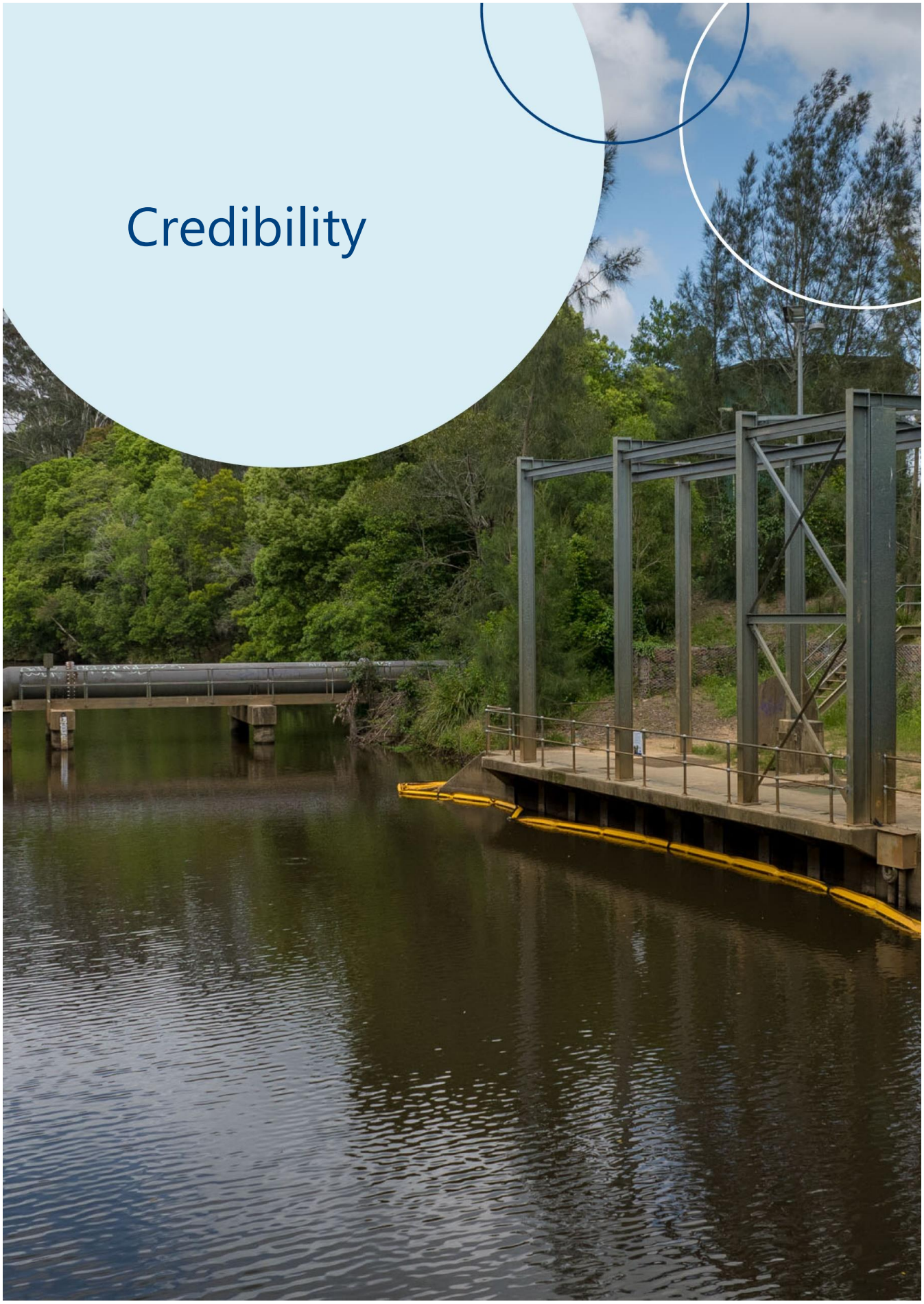


Figure 11: Operating cost per property 2023-24 water source: National Performance Reporting 2023-24 (NPR)

Credibility



5 Delivery and service levels

5.1 Service level performance

The primary purpose of Council's Water Utility is to provide consistent and reliable drinking water services in terms of quantity and quality. In addition, provide environmentally and socially responsible sewer services delivered in an economical and sustainable manner.

Council operates within the legislative and compliance framework to deliver services according to Council's Water and Sewer Customer Charter and contractual obligations by developing policies, procedures, systems, and mechanisms.

5.2 Forecast service levels

Community engagement showed mixed responses regarding current service level targets. Other than water quality there was little appetite to increase prices to improve services. Community members mostly agreed with the targets but commented that performance needed to improve (shown in Table 11) Other than reducing the water quality target the other targets will remain the same.

Table 11: Council's current and future service level targets

Performance item	Current Performance target	Community feedback	Local Water Utility performance reporting 2023-24	Annualised performance 2024-25 (May 2025)
Number of unplanned water interruptions per 1000 properties	115	Satisfied with current target. 67% satisfied (North) 33% to lower (North) 100% satisfied (South)	State average 60 per 1000 properties	123 per 1000 properties
Average duration of unplanned interruptions	No target set	There was no target set as the community did not raise this as an issue and were more focused on affordability	State average 145 minutes	179 minutes
Number of water quality complaints per 1000 properties	7	Community agreed target to be lowered no specific target set	State average 3.29 per 1000 properties	4.0 per 1000 properties Council's new target 5
Number of wastewater overflows per 100 km	26	No target stated but agreed to be lowered and performance improve regarding future planning	State average 33 per 100 km of main	28.6 per 100 km main

Performance item	Current Performance target	Community feedback	Local Water Utility performance reporting 2023-24	Annualised performance 2024-25 (May 2025)
Number of wastewater overflows reported to EPA per 100 km main	1.3	North group to report all overflows to EPA[10].	No State averages provided	2.3 per 100 km main .
Number of wastewater main breaks and chokes per 100 km	30	No target stated but agreed to be lowered and performance improve regarding future planning	State average 33 per 100 km of main (NPR 2023-24)	36.5 per 100 km of main
Number of water main breaks per 100km	14	No target stated but agreed to be lowered and performance improve regarding future planning	State average 10 per 100 km main	14.1 per 100 km main.

To improve performance Council is undertaking several initiatives with a focus on:

- Improving response time management with better rostering and resources
- Improving water quality with increased mains cleaning
- Improving unplanned water interruptions and sewer overflows and chokes targeting key areas.
- Increased inspections and preventative maintenance including analysis of failure patterns to inform schedules.
- Increase in hydrant[11], valve[12] and tapping band[13] maintenance to both detect and fix leakages.
- The use of S-Gate valves to reduce isolation of mains.
- Water and Sewer pump station upgrades.
- Sewer rising main renewals.
- Water valve renewals.
- Leak detection
    - A new leak detection contract
    - Selecting locations based on historical and ongoing leakage data.
    - Pressure management, an operational strategy that involves optimisation of network pressure.
- Water and Sewer education.
- Quality treatment.

For further details on service levels refer to *Technical Paper 2 Service levels*.

[10] *Protection of the Environment Operations Act* (1997) requires that pollution incidents must be reported to NSW EPA where there is actual or potential material harm to ecosystems or health and safety of human beings that is not trivial, or if the pollution incident results in actual or potential loss or property damage of aggregate cost exceeding $10,000.
[11] A hydrant is attached to a water main and mainly used accessing water predominantly used for firefighting. It can also be used to place water into the main to clean the pipe and water post a main break.
[12] A valve is used to isolate water if a main needs to be replaced or fixed.
[13] A tapping band allows the connection of service lines to the mains.

5.3 Delivering on our commitments

Council has committed to delivering several capital investments and operational initiatives to deliver the community values over the next determination period. The expenditure is predominantly non-recurring; however, some items are included in base operational expenditure.

The community while wanting to see an improvement in performance had little appetite to change the service level targets or increase bills except for water quality.

Council is committed to deliver the following initiatives over the next determination period:

- Strategies linked to effective planning and reliable service.
    - Emission reduction strategies.
    - Odour and Corrosion strategy.
    - Biosolids strategy (assess onsite power generation).
    - Asset resilience strategy.
    - Dry and wet weather surcharge strategy.
    - Distribution network Water Quality Model and Strategy.
    - Transition strategy.
- Studies and surveys linked to effective planning and environment.
    - Charmhaven reticulation.
    - Porter Creek Gap analysis.
    - Benthic Study.
- Plans linked to effective planning, environment, and water security.
    - Central Coast Water Security Plan (CCWSP).
    - Masterplan.
    - Integrated Water Servicing Plan.
    - Water Conservation - Economic level of Water Conservation (ELWC).
    - Climate Change action plan (CCAP).
- Innovations linked to reliable service.
    - Increasing the use of S-Gate valves.
    - Using P-CAT technology.
    - Using push rod cameras.
    - Use of a remote-controlled vehicle.
- Efficiencies using Data linked to affordability, reliable service, and quality treatment.
    - Water Demand Forecast tools.
    - Drawing Management System (DMS) to centralise engineering documents to centralise water and sewer assets.
    - Monitoring and improving SCADA.
    - Using data to inform areas of poor performance.
    - Technology to track regulation and monitoring of liquid Trade Waste lifecycle.

- Efficiencies linked to affordability.
    - Process review.
    - Avoided costs.
    - Cost reductions.
- Initiatives linked to effective management, water quality, water security, quality treatment.
    - Desalination readiness
    - Increased closed loop filter cleaning
    - Increased Hydrant flushing
    - Increased reservoir cleaning
    - Septicity management.
- Education linked to accountability and transparency.
    - Accountability strategy
- Regulatory and Compliance linked to environment and water quality.
    - Environmental Management System.
    - Increased sampling information.
- Investments linked to linked to quality treatment, water quality and growth.
    - Upgrade to Charmhaven sewage treatment plant
    - Upgrade to Gwandalan sewage treatment plant
    - Upgrade to Bateau Bay sewage treatment plant
    - Charmhaven main 12 (CH12) Sewer Rising Main and Pump station upgrade.

5.4 Setting an efficiency target

Council is proposing an efficiency target on 0.7% to keep downward pressure on prices.

Council's cost efficiency target represents a challenge to improve efficiency over time through technology, innovation, and better work practices. It reflects 'continuing efficiency' (also called 'ongoing efficiency' or 'frontier shift') and means, if achieved, Council would keep pace with the most efficient businesses over time.

IPART's expectations are that Council sets a realistic, yet challenging cost efficiency target. In setting the target of 0.7% per annum Council considered:

- the needs of customers
- council's current performance
- an internal assessment of cost efficiency opportunities over the next determination period
- broader productivity performance of the Australian economy
- other regulatory decisions

- Productivity growth target for 2027-31
- Council has set a cost efficiency target of 0.7% per annum for its forecast operating and capital expenditure over the upcoming determination period. This equates to $31.6M in total cost savings over this period (Table 12).

Table 12: Council efficiency challenge targets ($2025-26)

2027-31 (5-year total)	Opex	Capex
0.7% efficiency target	$18.4 million	$13.2 million

Council's target of 0.7% p.a. is compounding, meaning the efficiencies found in one year must be continued in the following years of the determination. The 0.7% efficiency target on opex and capex respectively over the upcoming determination period, results in $31.6M in savings over the total period.

6 Self-assessment

6.1 Assessment against IPART's principles

Council has assessed the proposal against IPART's 12 principles as ***standard*** and satisfied all requirements identified in the IPART Regulation Handbook July 2023 refer Table 13.

Table 13: Self-assessment summary

Customer		
Principle	**Achieved**	**Principle description**
1 Customer Centricity	Standard	***Includes:*** customer engagement, customers influencing outcomes, processes supporting customer centricity and education.
2 Customer engagement	Standard	***Includes:*** engagement on what matters, appropriate engagement methods, engage effectively
3 Customer outcomes linked to submission	Standard	***Includes:*** Customers drive outcome, performance measures support outcomes, accountability for customer outcomes
4 Community	Standard	***Includes:*** Identify community and performance measures, accountability for community outcomes
5 Environment	Standard	***Includes:*** Identify environmental outcomes, regulatory obligations, performance measures and efficiency in delivery.
6 Choice of services	Not applicable	***Includes:*** Consider differentiated service offerings (**not included for standard submission)**
Costs		
7 Robust costs	Standard	***Includes:*** Justify proposed expenditure, optimisation between capital and operational expenditure on assets, accountability for expenditure outcomes
8 Balance risk and long-term performance	Standard	***Includes:*** Understand long term performance, manage risks, and reprioritise as required
9 Commitment to improve value	Standard	***Includes:*** An externally published Efficiency Strategy with appropriate accountability for cost efficiency outcomes
10 Equitable and cost-efficient cost recovery	Standard	***Includes:*** Propose cost reflective prices, justify within period revenue adjustments (*not required for the 2026-31 determination)*
Credibility		
11 Delivering	Standard	***Includes:*** Delivering on promises
12 Continual improvements	Standard	***Includes:*** Continual improvement and innovation.

For further detail on Council's self-assessment refer to *Technical Paper 11 Accountability, customer influence and self-assessment*.

6.2 Continual improvement

Council has completed the self-assessment and consider that it has satisfied the requirements for a standard submission. Council has provided the community with quarterly performance report which covers key performance areas that the community are most interested in. The performance report will be updated to include metrics against new key deliverables.

In addition, Council also provides the Delivery Plan that reports quarterly progress against delivery of Accountability, Community engagement and Asset Management.

Council is committed to continual improvement and have drawn on lessons from past pricing periods. The next determination will focus on addressing shortcomings that have been identified in the current determination, with a focus on the following:

- Enhanced accountability through monitoring of key deliverables
- Tracking efficiencies
- Improved governance against key investments and proposed expenditure
- Improved reporting
- Centralising key data items and
- Improved financial support and acumen.

Council has also implemented improvements to its capital program processes aligning its project management framework and gated project lifecycle processes with IPART's regulatory framework. The improvements ensure that when projects are approved benefits are measurable and they align to customer outcomes. Council has introduced a fifth gate to the lifecycle process to ensure that outcomes are measured and evidenced and where applicable improvements to services are able to be reported back to the community.

The initiatives in the Determination will form part of the updated Accountability Strategy and reported on Council's website annually. If priorities change or prices increase due to a change in the economic climate, then Council will adapt, referencing urgency and importance.

Council is committed to delivering the services and investments in the Determination.

7 Quality assurance and Board endorsement

Section 4.8.3 of IPART's Water Regulation Handbook states that:

- Before submitting a pricing proposal to IPART, each business would obtain Board or Council (or equivalent) endorsement for its proposal. This endorsement demonstrates the Board's (or equivalent) ownership of the proposal – and provides transparency that it is confident the proposal would deliver in the long-term interests of its customers.
- The pricing proposal, information return, and any other material provided to IPART would also be subject to quality assurance (QA) check prior to lodgement. This ensures information is complete, accurate and consistent and helps avoid errors or delays in the price review process.
- To demonstrate Board or Council (or equivalent) endorsement and assure the quality and accuracy of its submission, a water business is expected to include either a Board attestation signed off by the chair of its Board, or (for businesses where the principal governing body of the entity is a council) a copy of the council resolution(s), declaring that the pricing proposal
- Is approved and endorsed by the principal governing body of the entity that the pricing proposal would best promote the long-term interests of its customers and that the proposal
- Is the business's best customer value proposition and is consistent with a Board-approved customer engagement strategy or equivalent document.
- Would deliver services at the lowest sustainable cost and is consistent with a Board-approved cost efficiency strategy or equivalent document.
- Is prepared with the best available information of the water business's financial and operational affairs.
- Has been subject to a QA check, which certifies the accuracy and consistency of all data, including confirmation of the following:
- Information in the business's pricing proposal is consistent with the business's information return (AIR and SIR), the business's financial accounts, and reports against output measures, as relevant. Where there are variations in figures, these need to be explained.
- Figures in the business's pricing proposal are accurate and correctly sourced. The figures need to sum correctly. The use of nominal or real dollars should also be explained in clear and simple terms so that stakeholders can follow the logic of their use.
- The business's pricing proposal includes proposed prices for all the business's regulated services.

Board's (Council) attestation and QA certification are below.

Council and Chief Executive Officer attestation

In accordance with the *Water Regulation Handbook* July2023, of the Independent Pricing and Regulatory Tribunal of NSW, the Mayor Lawrie McKinna on behalf of the Deputy Mayor Doug Eaton OAM and Councillors Cr Corinne Lamont, Cr Kyle MacGregor, Cr John McNamara, CR Trent McWade, Cr Jared Wright, Cr John Mouland, Cr Jane Smith, Cr Belinda Neal, Cr Rachel Stanton, Cr Kyla Daniels, Cr Margot Castles ,Cr Sharon Walsh and Cr Helen Crowley Deputy and Chief Executive Officer David Farmer of Central Coast Council's Water Utility, having made such reasonable inquiries of management as we considered necessary (or having satisfied ourselves that we have no query), attest that, to the best of our knowledge and for the purpose of proposing prices for the Independent Pricing and Regulatory Tribunal's review of the Central Coast Council Water Utilities prices:

- The pricing proposal would best promote the long-term interests of its customers.
- The pricing proposal:
  - Is the businesses best customer value proposition and is consistent with our customer engagement strategy.
  - Would delivery services at the lowest sustainable cost and is consistent with our cost efficiency strategy.
- The information provided in the pricing proposal submitted on 30 September 2025 is the best available information of the financial and operational affairs of Central Coast Council and has been checked in accordance with the Water regulation handbook and
- The pricing proposal has been subject to a quality assurance check, which certifies the accuracy and consistency of all data, including confirmation of the following:
  - Information in the pricing proposal is consistent with the business's information return (AIR and SIR), the business's financial accounts, and reports against output measures, as relevant.
  - Figures in the business's pricing proposal are accurate and correctly sourced.
  - The pricing proposal includes proposed prices for all business's regulated services.
- There are no circumstances of which we are aware that would render the information provided to be misleading or inaccurate.

Certified by the Chief Executive Officer	Certified by the Mayor Central Coast Council
David Farmer	Lawrie McKinna
_____	_____
Dated	Dated

Central Coast Council | Water and Sewer

Pricing Proposal

Central Coast Council
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W centralcoast.nsw.gov.au
ABN 73 149 644 001

September 2025



Plain-English Billing Summary

IPART's review of prices for Central Coast Council's water and sewer services from 1 July 2026

September 2025

Central Coast Council | Water and Sewer

Council's IPART pricing proposal

Central Coast Council's (Council) pricing proposal to the Independent Pricing and Regulatory Tribunal (IPART) for its water and sewer services was lodged on 30 September 2025. The submission covers Council's forecast of future operating costs, capital investment and price proposals.

This document provides a brief overview of Council's proposed prices and an impact summary of what the changes will mean to non-residential and typical residential customers.

The results of the customer engagement have been threaded through Councils proposal in relation to expenditure, service levels, outcomes, and accountability.

The design and the effort invested in the customer engagement journey resulted in key findings that allowed Council to understand customer priorities. The key priority relating to cost of living (keeping prices low) while still maintaining appropriate service standards.

Council has reviewed all forecast revenue requirements understanding that:

- Maintaining and where possible improving asset performance efficiently without jeopardising service standards.
- Keeping a focus on the future regarding growth and water resilience
- Protecting the environment
- Keeping prices at a level that considers cost of living pressures and
- Delivering on the actions identified in the submission and being accountable to the community in order to build trust.



Background

Council has calculated water and sewer prices that allow for the recovery of proposed target revenues. The proposed pricing allows Council to recover the revenue between residential and non-residential customers via the fixed and usage charges for water and sewer.

This pricing reflects IPART's best practice principles and past IPART decisions.

The bills have been calculated to remain consistent in real terms throughout the proposed determination period. This was evidenced by the recent community engagement where participants preferred flat and steady bills. In addition, there was preference for any additional costs to be geared towards the usage charge to allow better control and affordability.

Bills are calculated by summing up the total revenue required for the proposed 5-year determination period and smoothing the billing evenly so the only increase will be the application of the Consumer Price Index (CPI) per annum.

When establishing Council's pricing for the 2026 determination period, the community was engaged to gather feedback on proposed increases to pricing for specific issues regarding community values related to water quality, reliable services and a rebate program related to water conservation.



Community consultation

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

- Their values in relation to the Council's water and sewer services.
    - Water Quality
    - Reliable service
    - Quality treatment
    - Effective planning
    - Affordability
    - Transparency and education.
- What the most important value is regarding services delivered.
- Service level targets and performance.
- If the community was willing to pay for improving performance and reducing service level targets.

During each engagement, values were revisited to determine if there was a shift in importance however, these values remained constant.

The community also indicated that a flat steady price is preferred as well as having more control over their water bills with any additional costs to be geared towards the usage charge. This would also assist affordability.

Proposed pricing

- The proposal sees an average residential household bill have a one-off increase, in the first year, of 8% for water and sewer services.
- Each year after that would see an increase in line with inflation.

What is Council proposing?

In summary, Council is proposing the following:

- Water usage price is increased from $2.70 to $3.18 per thousand litres (kL)
- Water service charge is decreased from $366.04 to $222.92 per year
- Residential sewer service charge be increased from $561.19 to $766.64 a year (includes a 75% discharge allowance)
- Sewer usage charge is decreased from $1.12 to $0.92 per thousand litres (kL)
- Residential sewer discharge volume is set at 125kL per year for houses
- Residential sewer discharge volume be set at 80kL per year for apartments (multi premises)
- Exempt properties will continue to pay both water and sewer usage fees
- Non-residential water service charges will be determined according to the size of the water meter
- Non-residential sewer service charges will be determined according to the size of the meter
- Non-residential sewer discharge volume will be based on water consumption with discharge factor applied relevant to the type of business.

Note: All prices quoted are in $2026-27

Council is also proposing that:

- IPART determines Council's charges for a five-year period from 1 July 2026 - 30 June 2031.
- IPART limit annual increases in final prices for the next determination period (2026-2031) to the rate of inflation only.
- Retirement villages continue to be billed as non-residential, which is meter-based charging.

How will this affect my bill?

Residential customers

Residential customers will see their total water and sewer bills increase after 1 July 2026.

In Table 1 below, comparison is shown between the current bill with the proposed 2026-31 bills for typical residential customers.

Table 1: Current and proposed typical residential bills ($2026-27)

Assumptions 3 bed house 1x20mm meter Annual metered water usage of 180kL*	2022 - Current Determination 2025-26 Central Coast Council LGA ($2026-27)	2026 - Proposed Determination 2026-27 Central Coast Council LGA ($2026-27)
Water service	366.04	222.92
Water usage (kL x usage charge)	486.00	572.40
Sewer service (includes usage @125kL x usage charge)	701.19	881.04
TOTAL bill	**$1,553.23**	**$1,676.36**[f]

*kL = kilolitre = thousand litres, sewer service charge for residential includes 75% discharge allowance.
Stormwater drainage has been removed as this is no longer part of the proposed determination period.



Non-residential customers

Non-residential customers will be affected in different ways depending on how much water they use, if they are connected to the sewerage network, the size of their property and whether they use trade waste services.

Non-residential customers will see an increase in their water usage and sewer service charges.

Trade waste customers will see a small change in charges, depending on the category they fall within.

A typical non-residential bill using both 25mm and 40mm meters is shown in Table 2 (does not include trade waste charges). For larger meter sizes refer to Table 3.

Table 2: Current and proposed typical bills ($2026-27) 25mm and 40mm. Current prices are shown in ($2026-27)

Charge description	Unit $/kL	Current 2025-26 Central Coast LGA	Unit $/kL	Proposed 2026-27 Central Coast LGA
25mm				
Water service charge		571.93		348.31
Water usage (assumes 300kL)	2.70	810.00	3.18	954.00
Sewer service charge (25mm)		1,073.62		1,597.16
Sewer usage charge (assumes 280kL 93% discharge factor on water consumption)	1.12	313.60	0.92	253.37
Total		**2,769.15**		**3,152.84**
40mm				
Water service charge		1,464.14		891.68
Water usage (assumes 300kL)	2.70	810.00	3.18	954.00
Sewer service charge (40mm)		2,760.44		4,088.72
Sewer usage charge (assumes 280kL 93% discharge factor on water consumption)	1.12	313.60	0.92	254.47
Total		**5,348.18**		**6,188.87**

The proposed pricing for non-residential customers is provided in Table 3. Note this pricing is indicative only as each business varies in its water and sewer usage.

Table 3: Proposed charges ($2026-27) Current prices also shown here in $2026-27

Charge description	Unit	Current Central Coast LGA[b]	Proposed Central Coast LGA
Water			
Usage			
Residential and non-residential	$/kL	2.70	**3.18**
180kL Residential water usage (assumed usage only) [h]		486.00	**572.40**
300kL Non-residential water usage (assumed usage only) [h]		810.00	**954.00**
Service			
Residential			
Houses, flats and units	$/dwelling	366.04	**222.92**
Non-Residential			
20mm	$/meter	366.04	**222.92**
25mm	$/meter	571.93	**348.31**
40mm	$/meter	1,464.12	**891.68**
50mm	$/meter	2,287.69	**1,393.25**
65mm	$/meter	3,866.25	**2,354.59**
80mm	$/meter	5,856.50	**3,566.72**
Other (meters greater than 80 not shown above)	**$/20mm equiv[c]**		
Sewer			
Usage			
Residential and non-residential[d]	$/kL	1.12	**0.92**
280kL sewer usage (assumed usage only)[g]		313.60	**257.60**
Service			
Residential			
Houses, flats and units	$/dwelling	561.19	**766.64**[e]
Non-residential			
20mm	$/meter	748.25	**1,022.18**
25mm	$/meter	1,169.14	**1,597.16**
40mm	$/meter	2,993.01	**4,088.72**
50mm	$/meter	4,676.58	**6,388.63**
65mm	$/meter	7,903.37	**10,796.78**
80mm	$/meter	11,972.04	**16,354.88**
Other (meters greater than 80mm not shown above)	**$/20mm equiv[c]**		

Trade waste			
Annual fee			
Category 1	$/occupancy	172.48	**161.56**
Category 2	$/occupancy	537.00	**526.21**
Category 3	$/occupancy	2,015.73	**2,061.08**
Category S	$/occupancy	251.96	**501.97**

Notes:

a. The amounts shown in the table are in $2026-27 terms and are proposed to change in line with actual inflation in future years.

b. Current prices are for 2025-26 and shown in $2026-27 using a CPI of 2.9% estimates provided for comparative purposes only. Current prices published on Council's websites.

c. This is the charge for a 20mm meter equivalent. Customers with larger meters will pay a multiple of this charge depending on the size of the water meter. Charges for larger meters can be calculated as the service charge shown in the table multiplied by (meter size)^2/ 400. A full list of meter sizes and proposed charges are available in Council's submission.

d. In the current 2022-26 determination, the deemed sewer usage for residential properties is 125kL ($140.00) in addition to the service charge shown above for houses and 80kL ($89.60) for apartments. Non-residential discharge is based on water consumed with a discharge factor.

e. Residential sewer service charges are shown above with a 75% discharge factor. This is what currently occurs and is proposed for the 2026-31 regulatory period.

f. Total bill is based on 125kL sewer usage * 0.92 usage charge = $115.00

g. Non-residential sewer usage of 280kL shown above is indicative of an average bill. Sewer usage varies depending on the type of business and water consumption.

h. Non-residential and residential water usage of 300kL and 180kL shown above is indicative of an average bill. Water usage varies depending on the type of business and water consumption. The figure shown needs to be added to the service charge.

i. Non-residential numbers are the service charge before discharge factor applied.

Additional activities proposed

Council is proposing an investment of $577.8M to deliver an accelerated program of upgrades to the water and sewerage networks and treatment plants throughout the Central Coast over the 2026-31 determination period, including:

- Charmhaven Treatment Plant upgrade
- Gwandalan Treatment Plant upgrade
- Charmhaven (12) Sewer Rising Main and Sewer Pump station upgrade
- Kiar Ridge Water Supply Reservoir
- Bateau Bay Treatment Plant upgrade
- Water and sewer mains renewal program.

What happens next?

IPART is now preparing to set prices for water supply and sewer services on the Central Coast.

In assessing Council's pricing proposal, IPART will consider the efficient cost of providing water and sewer services.

Council's pricing proposal will be placed on IPART's website. They will then release an Issues Paper in October 2025, highlighting any of their key issues. They will be accepting submissions from the public and other stakeholders on the pricing proposal and their Issues Paper until late-October 2025.

IPART will then hold a public hearing in November 2025, providing the community with another chance to have their views heard. These locations and times will be advertised in local newspapers, on IPART's website and via Council's communication channels.

IPART will then release a draft Report and Determination in March 2026 detailing prices. The community then have further opportunity to respond to the draft reports by making submissions to IPART.

In May 2026, IPART will release their Final Report and Determination on prices that come into effect on 1 July 2026.

For information on Council's current water and sewer prices and how and where these charges are applied, please visit centralcoast.nsw.gov.au

Remember, the prices IPART ultimately sets may be different to those proposed in Council's submission.

How can I have my say?

Information on how you can provide comments to IPART on these prices and any other aspect of Council's submission can be found at: **www.ipart.nsw.gov.au/Home/Reviews/Have-Your-Say**

IPART have invited stakeholder and public comment until late October 2025.

IPART can be contacted on (02) 9290 8400.

Details of the public hearing including location and times, will be advertised on IPART's website.



Technical Paper 1

Customer and Community Engagement

September 2025

Central Coast Council | Water and Sewer

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1 Key Points

- Central Coast Council (Council) has transformed the engagement approach with our community to better understand and prioritise their needs. This includes incorporating innovative tools, diverse methodologies, and a commitment to transparency and building trust.
- Council's community engagement is aligned with the Independent Pricing and Regulatory Tribunal's (IPART's) 3Cs model: Customers, Costs, and Credibility.
- Adoption of a Water and Sewer People's Panel allows integration of community feedback into Council's decision-making process.
- Appointment of the Community and Customer Liaison positions, ensuring that customers are kept up to date with information during infrastructure works, emergencies and environmental events.
- Development of the Water and Sewer Community Engagement and Education Approach.
- Continued development of a dedicated Water and Sewer education team.
- Adoption of the Water and Sewer Customer Charter and Complaints Management Framework.
- Delivery of robust education campaigns.



2 Putting customers first

Council's water and sewer directorate have made significant progress in engaging with our customers to understand what matters most to them. The engagement approach follows the sentiment in IPART's 3C framework, as well as alignment to Council's broader Community Engagement Strategy.

The engagement approach focuses on:

- increasing face-to-face engagement activities
- understanding the community values and expectation of delivered services
- promoting engagement activities to reach wider community members
- making our communication and information clear, relevant and easy to understand
- ensuring engagement opportunities are accessible to everyone
- where possible and appropriate, undertaking place-based engagement
- Strengthening relationships with First Nations groups for their insights on matters specific to water and sewer.

2.1 Incorporating the 3Cs model

In July 2023, IPART introduced its new regulatory framework. The framework focuses on customers, costs and credibility, referred to as the 3Cs. This framework is underpinned by 12 guiding principles which both IPART and water businesses use to develop and assess pricing proposals. Refer Figure 1: 3Cs framework. Source: IPART Water Regulation Handbook July 2023



Figure 1: 3Cs framework. Source: IPART Water Regulation Handbook July 2023

2.1.1 Customers

In adapting to IPART's 3Cs model, Council has embedded the following into the business:

- Adapting our engagement practices to preferences identified through consultation.
- Renewed focus on the *what, why* and *how* to inform community engagement activities.
- Introduction of the People's Panel, where a representative group of the community are engaged for key decisions, enabling integration of community preferences into our business practices.
- Adopting a Human Centred Design (HCD) approach, which involves inviting customers to co-design a new water bill format.
- Central Coast Water Security Plan (CCWSP) engagement, where a representative community group were taken on a journey to learn about their water values and educate them on the different water supply and demand options being considered, including a series of future improvements.
- Ongoing engagement to understand community values and expectations in relation to water and sewer services. This also includes the community preferences on existing performance targets and response times to incidents.
- Bill structure and its composition (flat or escalating) over the determination period, including preferences for a higher usage charge and lower service charge (or vice versa).
- Future Service Options engagement program where our community was asked to discuss optional investments to improve services.
- Feedback from our community regarding increases in operational expenditure to improve performance for water quality and reliability.
- Unserviced properties (linked to Water and Sewer Masterplan) where Council sought feedback from residents and businesses regarding subsidisation for unserviced properties.

Additionally, as part of its ongoing commitment to inclusive decision-making, Council has refined its process for developing key strategic documents. These documents are shared publicly to encourage community feedback and participation.

Key documents include:

- Central Coast Water Security Plan (CCWSP)
  https://www.centralcoast.nsw.gov.au/residents/water-and-sewer/about-water-and-sewer-services/central-coast-water-security-plan
- Community Engagement Strategy
  Community Engagement Strategy | Central Coast Council
- Water and Sewer Customer Charter and Complaints Management Framework
  https://www.centralcoast.nsw.gov.au/residents/water-and-sewer/about-water-and-sewer-services/water-and-sewer-customer-charter
- Water and Sewer Performance Reports and Delivery Plan

  https://www.centralcoast.nsw.gov.au/residents/water-and-sewer/about-water-and-sewer-services/water-and-sewer-performance-reports-and-delivery-plan

Water and Sewer's community engagement principles link to the broader Council principles highlighted in Figure 2.

Community engagement

Our principles

Our approach is guided by the five principles outlined in Council's adopted Engagement Framework as shown below.

1. Respect and transparency

- Consult with you when possible and use the information gathered in a meaningful way
- Respect your time and listen to you
- Engage at a level that is appropriate to the possibility to influence
- Share the responsibility, building trust with transparency

2. Access and inclusion

- Seek a diversity of views and perspectives
- Provide feedback to you as to how your input contributed to decision-making
- Endeavour to identify and remove barriers to participation
- Use a range of opportunities and techniques to encourage participation, and increase engagement
- Have an awareness and understanding for all who may be affected by or interested in the outcome
- Work in partnership with relevant community groups, State and Federal Government, Local Government partners, and / or other stakeholders internally within Council

3. Clarity

- Facilitate genuine and open dialogue with the community
- Clearly communicate the intention, scope, and outcomes of the consultation
- Use plain language and avoid jargon to provide clear explanations
- Make information available in accessible formats

4. Accountability and improvement

- Seek to maintain consistent standards and levels of quality
- Share results internally and work together to avoid duplication and 'over consultation'
- Evaluate engagement efforts and consistently seek to learn and improve practice

5. Capacity

- We will build the community's capacity to contribute, by educating and empowering both the community and staff so that they may participate in meaningful, two-way collaboration

Figure 2: Community engagement principles

2.1.2 Costs

Engagement with the community included understanding what they value in relation to services, long term investments, future planning, price structure and future service options, where willingness to pay for additional services was discussed.

Key engagement outcomes related to:

- **Long term investments** – specific to future investments under the Central Coast Water Security plan. The community appeared to have a positive attitude toward water usage and conservation. There were many water values that emerged that Council needs to be cognisant of, when planning water for the future such as reliability, affordability and environmental impact.
- **Robust costs –** Council modelled four price scenarios and used these scenarios to engage with our community to understand bill impact and affordability.
- **Commitment to improve value** – improving the information presented to the community including showing expenditure related to community values and efficiencies.

Using insights from the 2023–2025 engagement, Council ensures service pricing reflects both community expectations and actual value. Report available under the Community Engagement phase tabs - *Future Water and Sewer service options | Your Voice Our Coast*.

2.1.3 Credibility

Based on an understanding of what our community value and expect from Council, it is important that promises made are delivered during any determination period. For the existing determination period, Council demonstrated credibility to its community by publishing the Water and Sewer Delivery Plan 2022-2026, which detailed the actions included in the IPART 2022 Determination, tracking progress on initiatives under the key focus areas of Asset Management, Community Engagement and Accountability.

Council also publishes both annual and quarterly performance reports. These reports evaluate performance across water quality, effective planning, reliable services, environmental focus, quality treatment and affordability. The reports allow customers to monitor long-term trends and observe Council's ongoing accountability to deliver.

In addition, Council remains committed to continuously improving its engagement activities, with a focus on inclusive and transparent communication. This ongoing engagement builds on several key initiatives in collaboration with the community, including:

- Customer defined water and sewer values and outcomes
- Co-design of the Customer Charter
- Co-designing the People's Panel Terms of Reference
- Co-designing Council's 'New Look' water notices
- Connecting with dissatisfied customers to listen to their feedback
- Quarterly customer satisfaction survey to understand customer satisfaction
- Willingness to pay
- Water usage versus service charges.

For the future determination period of 2026-2031, Council's credibility to our customers will be driven by a newly established Accountability Strategy that has been informed by the insights from the engagement programs undertaken during 2023 to 2025.

2.2 Understanding Council's customers and community

Council is a major water utility with over 139,000 connected properties. This results in a broad customer base that includes residents, businesses, hospitals, schools, universities, community groups and more.

While not everyone in the community pays for services directly (visitors or individuals who reside outside the LGA) all the community interact in the same environment and are impacted by the decisions made by Council. Council is committed to working closely with its customers and community to make decisions in the best interests of the whole community.

To capture a full spectrum of perspectives over the last four years, Council implemented a comprehensive engagement process that emphasises inclusion and accessibility. By working with demographic experts, we've engaged hard-to-reach populations, such as vulnerable community members and high-consumption businesses (Council's Top 100 water users), ensuring a balanced representation of voices in Council's planning.

As part of this work, we've also developed detailed customer profiles to better understand the unique needs of Council's customers. These insights help us tailor engagement services and communications more effectively, ensuring they remain responsive and relevant to the community they serve.

2.2.1 Customer profiles

Council aims further understand its diverse community to improve engagement and meet varied water and sewer service needs. Customer profiles were developed by id – Informed Decisions in August 2023 based on demographic data from the 2021 ABS Census, with future community surveys planned to gather further understanding. Please refer Figure 3 for a snapshot of our community demographics.

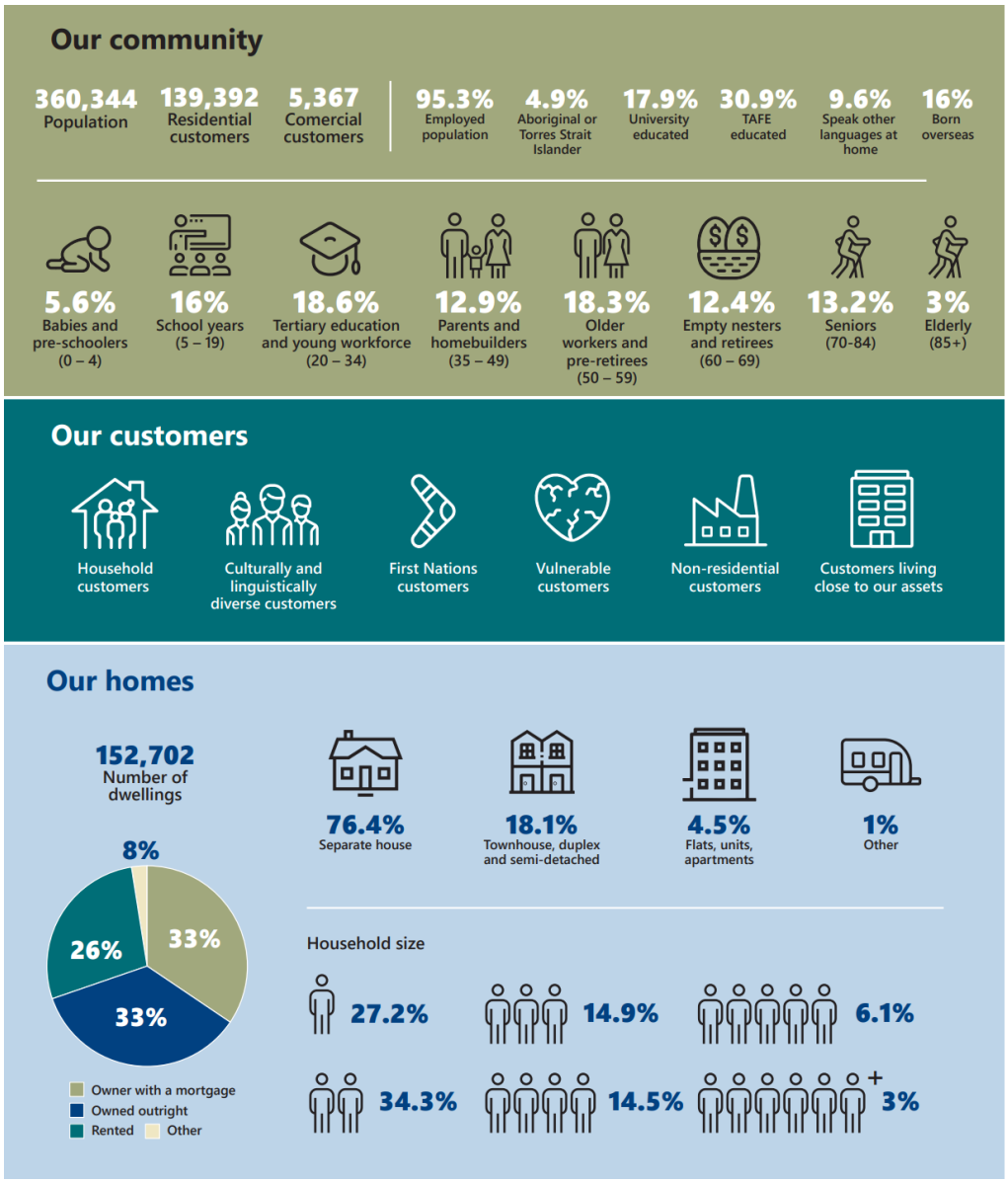


Figure 3: Community snapshot

Findings from the consultant helped Council to identify that the Local Government Area (LGA) community is represented by:

Household customers

- Large families
- Small families
- Older empty nesters
- Older lone residents
- Student share houses

First Nations customers

- The median age of First Nations residents on the Central Coast is 23 years (compared to 43 years for the LGA's population overall)

Community members near water and sewer assets

Culturally and Linguistically Diverse (CALD) customers

- Recent arrivals
- Non-English speakers

Vulnerable customers

- Persons with disabilities
- Chronic health conditions
- Low income

Non-residential customers

- Large business owners
- Small business owners

2.3 Engagement strategy and methodologies

In alignment with the Council-wide engagement framework, a tailored Water and Sewer Community Engagement and Education Approach has been developed, demonstrating the engagement with the community on water and sewer services, projects or initiatives that impact the community.

The revised approach aligns with the principles of the IAP2 Framework, which supports inclusive, transparent, and meaningful public participation. Council have designed a comprehensive and adaptable engagement methodology that reflects the diversity, values, and expectations of the community.

By aligning with IAP2's core principles, the approach empowers the community to contribute meaningfully to decision-making processes. Feedback gathered through these engagements directly shapes service delivery, policy development, and project outcomes. The strategy includes a mix of consultation formats—from digital engagement to in-person discussions—to ensure broad accessibility and participation.

Key components of Council's methodology include:

- Early and consistent engagement across all project stages
- Diverse communication channels tailored to community needs
- Iterative feedback loops to validate and report back on what we heard
- Collaborative engagement formats such as focus groups and panels.

2.3.1 Tools and technology in engagement

Up until late 2024, the lack of a specialised engagement platform restricted the ability to collect and analyse meaningful data. This limitation hindered Council's capacity to fully understand community sentiment and integrate insights into planning and decision-making.

To address this, Social Pinpoint was adopted, an innovative digital engagement tool that enables real-time feedback and two-way communication. The platform's features—including follow and notification functionalities—help community members stay updated on the topics they care about, building transparency and trust.

A particularly valuable feature is the ability to create private project spaces. These are now used for People's Panel, facilitating ongoing dialogue between participants and the project team, and ensuring that their contributions remain central to the decision-making process.

2.3.2 Developing a community engagement database

Another key improvement to managing customers and community was the development of a dedicated Water and Sewer database using Hubspot[1]. The development of this list included the introduction of new processes which included:

- Improved data capture during consultations
- Implementation of webforms for customers to express interest in project updates
- Active promotion of sign-ups through multiple customer touchpoints, including online, phone, and field-based interactions.

This opt-in database now includes over 1,750 registered members, each of whom receives project updates and relevant information on water and sewer services. The database supports more personalised, timely, and effective communication with the community.

Residents are also able to reach out to scan QR codes on project letters to receive a call or email to their enquiry.



[1] HUBSPOT is an application used for connecting with customers using emails, meetings or calls.

3 Council's engagement journey 2022-2026

Over the determination period, Central Coast Council Water and Sewer has engaged the community in a variety of decisions and matters regarding their water supply and sewerage services. Refer to Figure 4 for the engagement blueprint.

In August 2021, to help ensure a resilient future water supply, an online submission form was introduced to gather feedback on the Central Coast Council Water Security Plan (CCCWSP).

In 2023, engagement activity continued with community forums, targeted interviews and surveys, facilitating deeper discussions between the organisation and its customers and community. Key focus areas included establishing core customer and community values, as well as understanding performance reporting preferences.

Following this, between 23 November and 14 February 2024, feedback was sought from residents and businesses in two phases on the small urban and rural communities across the Central Coast that do not have access to water and/or sewerage services. These properties are known as 'unserviced properties'.

Your Water and Sewer Services, conducted during April to July 2024, delivered an ambitious consultation program aimed to help us gain valuable insights into customer preferences. The engagement was to retest and prioritise the values identified in 2023. Council also sought feedback in relation to engagement preferences and an initial discussion was held around bill phasing and response times to incidents.

During February to June 2025, Council conducted an engagement program called Future Service Options, which essentially gauged community appetite to pay for improvements on our service performance areas, that aligned with their prioritised values. For more information, please refer to Technical Papers 2 and 11.

Our community was reintroduced to a number of options regarding bill phasing, whereby they indicated a preference for flatter bill structure. The community preferred one increase in their bills and then to remain stable (other than CPI). In addition, the preference was to have a higher water usage charge, as it would allow better control over the bill. The forecast bill shows the split that 78% is from water usage and 28% from service charges. Sewer charges are different where most of the bill comes from the service charge and not the deemed usage.

Council has also committed to a future engagement program in early 2026 to better define and categorise response times to incidents, as published in the Water and Sewer Customer Charter.

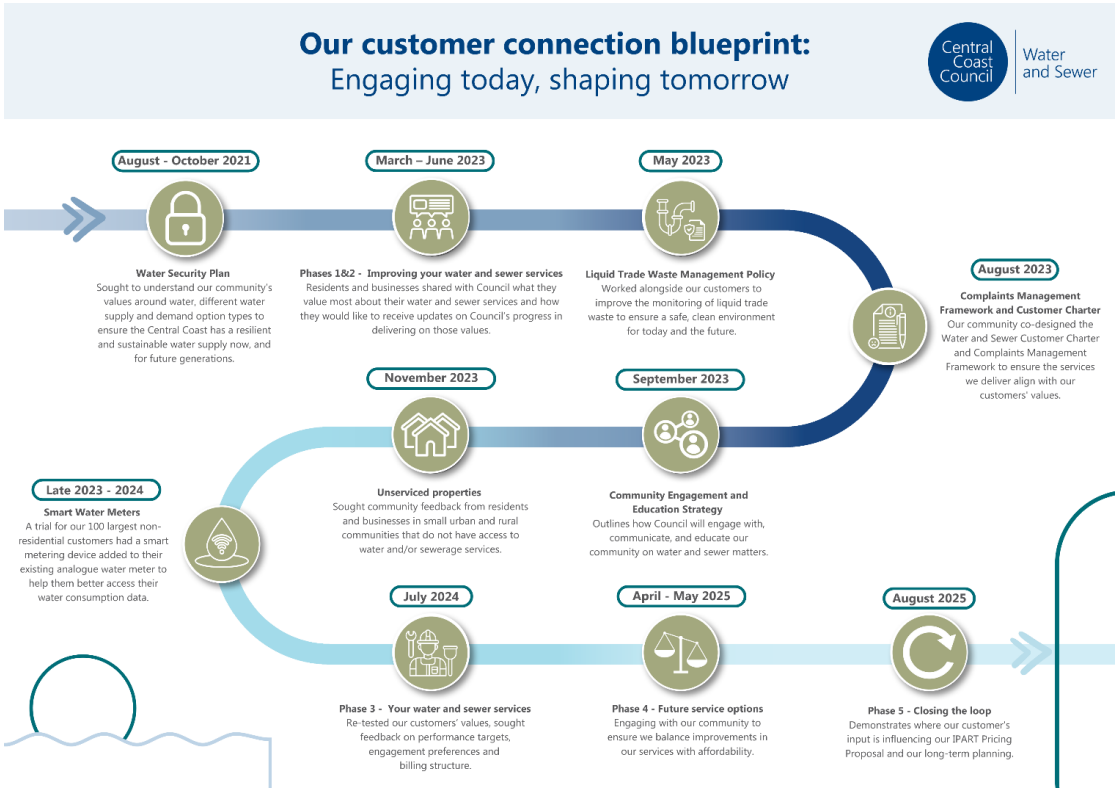


Figure 4: Customer Connection blueprint

3.1 Customer satisfaction

Council receives an average of 23,000 customer requests related to water and sewer services per annum. The requests are received through a series of channels including phone calls, emails, face-to-face and Council's online customer portal.

Council measures customer satisfaction four times a year through Customer Satisfaction surveys. These surveys capture customer interaction after the completion of a service request. It includes a Net Promoter Score question, which helps identify whether customers would recommend Council, based on the service received for that request. Water and Sewer has received feedback from 270 customers in the last 12 months.

Key highlights of this survey results include:

- 39% of customers received a same day response, with 18% receiving a next day response
- Customer Satisfaction Score of 77% over the past 12 months
- Net Promoter score (+37)
- Customer Effort Score (83%)

This data is also tracked over the longer term, allowing us to identify trends and aim towards sustainable improvement.

The big picture in the last four years:

- Net Promoter Score improved from +18 to +45 (+27)
- Customer Effort Score improved from 73% to 92% (up by 19%)
- Customer Satisfaction Score improved from 71% to 84% (up by 13%)

What's working well?

- Speed to respond – Customers appreciate how fast we respond to service requests
- Contact methods – Customers feel connected and appreciated with our communication
- Easy to interact – Customers valued simpler interaction with water and sewer.

What still needs work?

- Closing the loop – Customers have expressed the desire to have communication advising when a job is completed
- Proactive in setting expectations – There is an opportunity to set better expectations when speaking to customers regarding certain request types
- Explore further communication methods – Customers have expressed a desire for a text message service to facilitate faster and more effective communication.

These satisfaction metrics are more than numbers, they reflect a growing trust and a shared commitment to continuous improvement.

Over the past 12 months, Water and Sewer has delivered consistent results in our Customer Centric Metrics, Net Promoter Score, Customer Effort Score and Customer Satisfaction. We listened to our customers and learned from our opportunities. This has been consistent over the past four years, resulting in significant progress in how we connect with and support them.

By responding faster, using the correct contact methods, and making it easier for customers to interact with Council, water and sewer is delivering experiences that are increasingly valued by the community.

But we know there's still more we can do. Customers have told us they want more clarity when jobs are complete, clearer expectations upfront, and better communication options — especially using phone messaging. A series of improvements is currently being investigated on how we can close some of the gaps identified.

3.2 Customer Liaison roles fostering continuous improvement

Customer Liaison Officer (CLO) positions were established to strengthen community engagement and trust in essential water and sewer services. This initiative directly addresses long-standing challenges in customer communication during major environmental incidents, infrastructure projects, and emergency service interruptions.

Through proactive engagement, CLOs serve as the vital link between residents and operational teams, ensuring timely, transparent, and meaningful communication.

Since their inception in March 2023, CLOs have connected with over 17,200 customers by either phone, email or letter, door-knocked 822 homes and facilitated 164 site visits and 31 community meetings. Their contributions to key projects have enhanced stakeholder engagement and participation and strengthened relationships with critical customers.

A key outcome of these efforts has seen an increase and stabilisation in every customer-centric metric as indicated in Customer Satisfaction 3.1 of this document.

CLOs also maintain close collaboration with Water Operations Centre staff, Assets and Projects, and Network Maintenance teams to:

- Expedite resolution of service disruptions
- Enhance internal coordination
- Embed lessons learned into future service delivery processes.

This initiative exemplifies best-practice community engagement in local government, demonstrating a strong commitment to customer-focused service delivery. By prioritising direct communication and proactive outreach, the CLO program has transformed community perceptions, reduced frustration, and fostered lasting relationships, ensuring residents have a voice in vital infrastructure decisions.

3.3 Water Operations Centre (WOC)

Central Coast Council's WOC is an adjunct call centre to Customer Contact, and provides a 24/7 arrangement, where staff work on a rotating roster that provides coverage for all business hours and after-hours incidents.

The WOC comprises specialist staff that manage the resolution of customer water quality enquiries, maintenance requests and complaints. They are also responsible for creating and dispatching work to civil crews and communicating with crews who are undertaking the works.

3.4 People's Panel

To enhance community engagement and ensure informed public input into key decision-making processes, the Water and Sewer directorate introduced the People's Panel in late 2024. This representative group was independently recruited to reflect the diversity of the Central Coast community and was established to contribute to initiatives such as the water and sewer IPART pricing proposal.

As part of a commitment to transparency and informed engagement, Panel members participated in a structured education program—including site tours of major water and sewer assets—to build their understanding of services and infrastructure. This initiative supports more accountable, transparent, and community-driven decision-making. The People's Panel were also instrumental in co-designing content for the Future Service Options deliberative forums.

3.5 Deliberative forums

To address the distinct water and sewer service challenges in different areas, engagement sessions were conducted based on geographical regions—North and South. This approach ensured that community feedback reflected the specific needs and priorities of the entire Local Government Area.

From March 2023 to July 2025, a total of 48 hours of structured deliberative engagement was facilitated through community forums.

The 2025 sessions focused specifically on gathering input regarding proposed Future Service Options, which had a direct influence on the expenditure proposed in our IPART submission.

3.6 Community pop-ups

In 2024, eight pop-up engagement sessions were conducted across the Central Coast to raise awareness and collect feedback from a broad cross-section of the community. These sessions were strategically held in high-traffic and culturally significant locations such as ferry wharves, NAIDOC Week events, shopping centres, train stations and local parks to ensure broad community representation.

In 2025, additional pop-up engagement occurred across five shopping centres, involving 338 residents. The focus of these interactions was on Future Service Options. Residents also used these opportunities to ask broader questions about Council services.

Council pop-ups provide an alternative to online engagement and are popular with community members who prefer a face-to-face engagement with Council staff.

3.7 Engagement Programs

The engagement programs Council undertook aimed to:

- Understand community values and expectations
- Inform Council's IPART pricing submission
- Align service delivery with customer priorities
- Build trust and transparency through inclusive consultation.

There were four key engagement phases:

3.7.1 Phases 1 and 2: Improving your water and sewer services

This program comprised community forums, in-depth interviews (CALD, ATSI, youth, large customers) and performance measure testing.

Our community engagement journey began with a discovery phase to understand what our customers value most about their water and sewer services – refer Figure 5.

Understanding our customers' values helped us align our services with what matters most. With that feedback, we made informed decisions about service levels, investment, and future planning. This ensures Council delivers reliable and affordable services that reflect our customers' set of core values.

As a result of this engagement program, Council now publicly reports our performance to ensure transparency, accountability, and continuous improvement. By sharing key metrics such as water interruptions, response times, and water quality complaints, our customers can see how we are meeting expectations, where we can change and how we are improving.



Figure 5: Water and sewer customer values

In parallel, Council also engaged the community regarding unserviced properties.

Council sought community feedback from residents and businesses in two phases on the small urban and rural communities across the Central Coast that do not have access to water and/or sewerage services. These properties are known as 'unserviced properties'.

Engagement comprised:

- Woolcott Research surveyed 500 residents and small businesses who are connected to Council's water and/or sewerage services.
- A targeted survey amongst 1,352 people who occupy, own, or operate a business from an 'unserviced property' on the Central Coast.

There are approximately 7,500 of these properties on the Central Coast. These properties are not connected to the Council water and sewer network. Typically, owners of these properties store their own drinking water, and collect, treat and dispose of their own sewerage.

The surveys built upon earlier engagement with the community and will inform development of Council's Water and Sewer Masterplan to deliver services for Council's customers into the future.

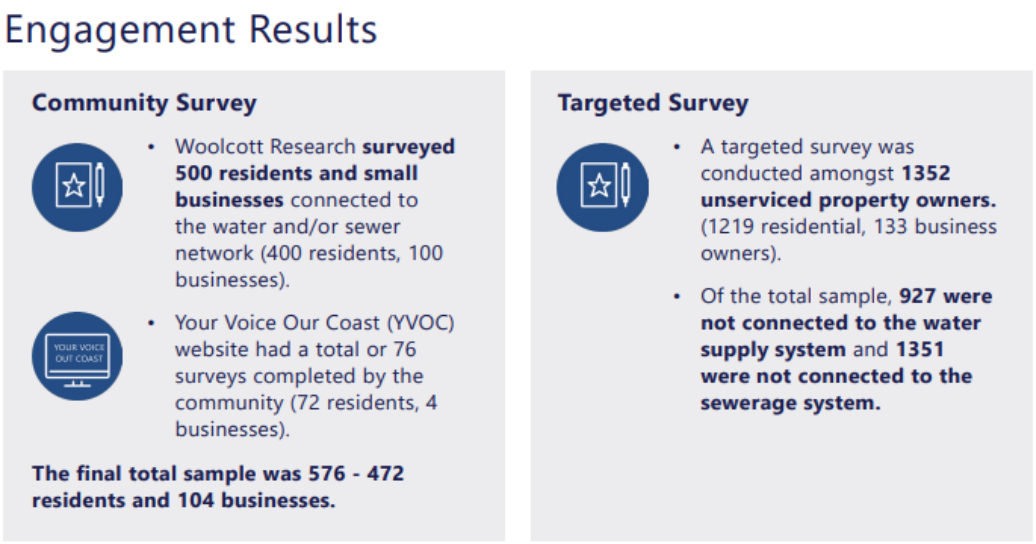


Figure 6: Unserviced properties engagement results

The Unserviced Properties survey was a requirement of the Department of Climate Change, Energy, the Environment and Water (DCCEEW). The data from the recent engagement with unserviced properties will be used to help form one component of the Water and Sewer Masterplan. The Masterplan was originally expected to be published in 2025/26 but is now proposed to be completed 2026/27. Outcomes relating to unserviced properties may be addressed as early as 2025-26. Any properties being considered for future connection will first require extensive consultation and engagement.

3.7.2 Phase 3: Your water and sewer services

This engagement activity comprised broader community input via targeted telephone surveys, pop-ups, deliberative forums and engaging vulnerable customers.

This phase of the engagement program sought to:

- understand what our customers and community value most about their water and sewer services
- understand how our customers prefer us to communicate and engage with them
- define a customer bill structure preference
- understand our customers' expectations around how soon we respond to an issue
- gauge our customers understanding and seek feedback on our performance targets.

The customer insights from this phase confirmed our customer values, so that Council could focus on the priority-ranked set of values. We also gained valuable feedback into our engagement methods and topics that the community would like more information on.

Future bill structures were discussed, to raise awareness with our community around how they can start to influence our 2025 IPART pricing proposal. Their preferences would also be raised and validated during Phase 4 of our engagement program.

Customer sentiment around performance level targets was used to determine future projects and expenditure that would be deliberated as part of Council's Future Service Options (willingness to pay) assessment in Phase 4.

Service level discussions at this phase highlighted the need for clearer definition of terms in our Customer Charter around response to incidents. As a result, Council will conduct a dedicated engagement activity in early 2026 to achieve clear customer expectations on service levels.

3.7.3 Phase 4: Future service options

This program involved a co-design of forum content, deliberative forums, online survey, panel survey, community pop-ups, People's Panel workshop, meeting with customer advocate groups and non-residential customer workshops.

During this phase, we asked our customers for their feedback on Council's essential costs to provide our water and sewer services.

We also asked for their preferences on a small number of 'optional' items that aligned to our customers values.

Bill structure preferences were validated from previous Phase 3 engagement results whereby participants were presented with three ways in which bill increases could be rolled out to our customers. Most participants preferred a flatter bill structure with the first year of increase and then CPI each year after that. This option was seen to be beneficial to customers as it would make budgeting easier and reduce the amount of 'bill shock'.

Finally, our customers were asked to nominate how they would like the ratio of water service charge and usage charge balanced, with a firm preference shown for most of the increase to be recovered from usage charges.

Some key insights were:

- There was majority support for increased water mains cleaning to achieve improved performance
- There were mixed results for installation of special valve in water pipes and an additional CCTV truck for proactive inspections
- There was little support for residential rebate program for water efficient fixtures
- Bill structure preference was confirmed to be a flat structure
- Customers preferred most of the bill cost to be contained within the usage charge.

3.8 Engagement Channels

- Face-to-face forums and workshops
- Online surveys and ideas walls
- Telephone interviews (CATI)
- Pop-up stalls across the LGA
- Targeted outreach to vulnerable groups, businesses, and First Nations communities
- People's Panel
- Targeted workshops with high volume non-residential customers.

Alignment with IAP2 Framework

Council's engagement programs were designed in accordance with the International Association for Public Participation (IAP2) spectrum:

IAP2 Level	Council activities
Inform	Website updates, brochures, flyers, email notifications
Consult	Online surveys, telephone interviews, pop-up feedback
Involve	Community forums, stakeholder workshops
Collaborate	Deliberative forums, co-design sessions
Empower	Consensus-building activities in deliberative forums

This alignment ensured that engagement was inclusive, transparent, and participatory, with community input directly shaping decision-making.

4 Integrating engagement insights into Pricing Proposal and business operations

Council's Water and Sewer Directorate undertook a robust and lengthy engagement program to help understand our customers preferences and inform not only our 2025 Pricing Proposal but to embed these preferences into our ongoing business practices.

The program commenced in 2022 and will be ongoing, adapting, as needed, to ensure alignment to changing customer values and sentiment.

This section shows how insights were translated into pricing structures, performance measures, and investment priorities.

4.1 Pricing Structure and Phasing

Community Feedback: Preference for predictable bills, with only modest increases

Proposal Response:

- Flat or CPI-based increases
- Clear justification linking our expenditure to service improvements
- Enabling customer bill control and promoting water conservation by proposing a higher proportion of water usage charge within the bill.

4.2 Performance Measures

Community Feedback: Desire for meaningful, transparent metrics

Proposal Response:

- Accountability Strategy to guide the implementation of improved reporting to our customers, including efficiencies.
- Adjusted our performance targets in relation to water quality complaints.
- Included additional expenditure to improve water continuity.
- Annual and quarterly reporting aligned with IPART's 3Cs framework and customer preferences.

4.3 Investment Priorities

Community Feedback: Support for infrastructure upgrades and sustainability

Proposal Response:

- Council's proposed capital projects have been mapped within the customers' values and in consideration of the associated outcomes for our water and sewer products.
- The operational expenditure forecast for the upcoming 2026-31 period aligns with community values, primarily focusing on improving water and sewer service reliability and quality. Most of the allocated funds are directed towards these critical areas, aiming to address community concerns and priorities.
- Long term strategies related to the CCWSP, specifically the Desalination Readiness project.
- Investment priorities linked to growth, being major upgrades at both the Gwandalan and Charmhaven Sewage Treatment Plant (STPs).
- Strategies linked to environment in relation to climate change and ocean outfalls.

4.4 Customer Charter and Complaints Management Framework

Community Feedback: Strong support for a clear, concise charter

Proposal Response:

- Customer Charter co-designed with customers
- Reflects community input and outlines service standards.

Through collaboration and engagement, Council and the community have co-designed the Water and Sewer Customer Charter and Complaints Management Framework to ensure the services we deliver align with Council's customers' values.

The Customer Charter specifically highlights:

- Council's standard of service to the customer
- customer expectations
- how customers can help us to help them
- mutual rights and obligations.

The Complaints Management Framework covers:

- Council's commitment to customer complaints
- how we handle complaints
- Council's escalation and response process.

As part of Council's ongoing commitment to improve customer outcomes related to water and sewer, we collected customer feedback on these draft documents before they were finalised.

Demonstrating influence

Council will demonstrate to our customers how they have, and will continue to, influence our business by:

- Publishing an Efficiency Strategy
- Improving our accountability to our community in relation to our performance, expenditure and efficiency target on our website
- Embedding a 'close the loop' activity into any future engagement programs
- Continuing to deliver robust, iterative engagement programs that inform our business operations
- Undertaking community education programs to uplift knowledge about water and sewer.

The full engagement program has ensured that the pricing proposal is community-informed, transparent, and aligned with our customers set of core values. This approach strengthens Council's accountability and builds public trust.

Full engagement outcome reports from all phases are available at www.yourvoiceourcoast.com.



5 Supporting our customers

5.1 Pensioner rebates

Council provides eligible pensioners with rebates on their rates notice and water account. A proportionate rebate is provided where eligible pensioners are joint property owners with non-eligible people, or if a customer's eligibility changes during the year.

5.2 Hardship assistance

If customers are having trouble paying their rates or water account on time, Council provides hardship assistance and a personalised payment plan to help them get back on track.

Depending on their needs, we can provide them with information about:

- payment options, including help to set up weekly, fortnightly or monthly direct debits
- personal payment plans to help them pay off their overdue rates at the same time as addressing future instalments in one easy plan
- referral to financial counselling services
- advice on how to manage their water usage to save money.

5.3 Home dialysis concessions

- Eligible residents undergoing kidney dialysis treatment at home are provided an allowance allocated against their water accounts
- Dialysis patients are also provided specialist care and engagement during planned and unplanned outages.

5.4 Sewerage connection financial assistance

- Eligible residents have the choice to pay their sewer connection charges off over a 20-year period
- The debt is a property debt and paid out at property settlement, if not paid before.

5.5 Concealed leak financial assistance

- Where a hidden water leak on a property isn't visible or audibly detectable and is confirmed by a licensed plumber, the customer may be eligible for financial assistance, if certain criteria is met.

5.6 Water and Sewer Concessions and Rebate Policy

Council revised its Water and Sewer Concessions and Rebate Policy, which was put on public exhibition for comment. Feedback received from our community ensures that the policy provides a consistent and fair approach when assessing rebate applications and supporting financially vulnerable customers, while maintaining the sustainability of Council.

Key highlights:

- This policy outlines the financial assistance and rebates available to eligible residential customers of Council who are facing hardship due to water usage, sewerage connection expenses, or concealed leaks.
- It applies to residential customers using water for dialysis, those connecting to the sewer system, and those impacted by concealed water leaks.



6 Education

These programs do more than inform—they inspire. Events like Dam Day Out and Carp to Croc foster a sense of pride, environmental stewardship, and community connection, turning education into celebration. The Water and Sewer Education team at Council designs and delivers a broad range of programs to ensure Council's community is water and sewer smart. Council's initiatives span across multiple formats and audience groups and include:

- Information sharing through brochures, posters, displays, newsletters, and more
- Interactive engagement including tours, workshops, competitions, and open days
- Media and communications via press releases, launches, advertising, social media, videos, and other digital platforms
- Formal education, creating tailored programs for early learning through to adult education, including teacher resources, school incursions/excursions, and activity sheets
- Community events, participating in and hosting events such as National Water Week, Water Night, World Environment Day, Dam Day Out, Carp to Croc, and pop-up displays at local fairs and markets.



Lakes Festival 2024

These programs support the following goals:

- Increase community understanding of Council's role as a water utility provider
- Improve awareness and adoption of water conservation and waterwise practices
- Build water and sewer literacy within the community and schools
- Promote behaviour change around appropriate sewer use, particularly what should and shouldn't be flushed or poured down the drain
- Gather insights into customer satisfaction with water and sewer services.

6.1 Water & Sewer Education Campaigns

Love Water: The Love Water Campaign encompasses all Council's water conservation and behaviour change marketing and educational collateral. Council is part of an alliance with Hunter Water and Sydney Water. Hunter, Sydney and the Central Coast have all agreed to use the "Love Water" approach, with each region adding a unique tagline. The Coast's is *Love Water: Use it wisely!* Hunter Water currently still utilise Love Water in most of their water conservation materials, although Sydney Water has moved away from the Love Water branding in recent times.

The aims of the Love Water campaign include:

- Encourage all community members to value water as an asset that should be conserved, even when Central Coast is not in drought
- Promote a goal of using 150 litres of water per person, per day
- Inform the community about dam levels, water-wise behaviours and Council's water-wise guidelines
- Increase water literacy within Council's community and develop a better understanding of how Council delivers clean drinking water from water sources to the tap.

Council's Love Water Poem is an example of an effective and engaging piece of collateral developed as part of our Love Water Campaign. The poem has been used on radio, YouTube ads and in cinemas for advertising and promotion on water wise behaviours and improving water literacy.







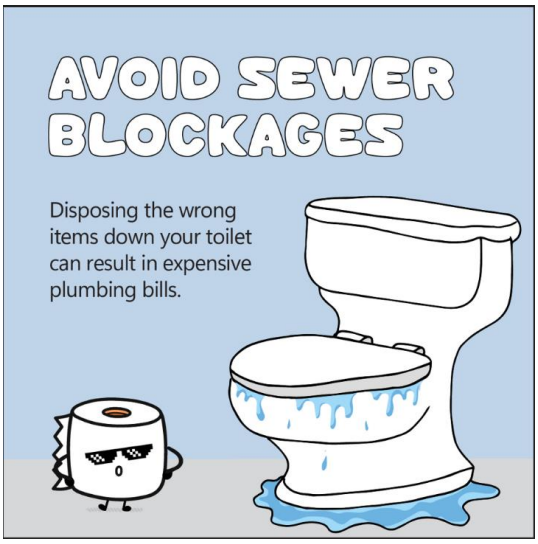
Key communication messaging include:

- Love water: Use it wisely! (tagline for the campaign)
- Can you "Live to 150L?"
- Become a Water Wise Warrior!
- Can you strive for five?
- It all starts with a drop
- Love water, garden wisely.





Dunny Do's & Dunny Don'ts



With the impact of the millennium drought, Council's educational materials and campaigns previously focused on water conservation, water restrictions and water-wise behaviours, leaving a large gap in sewerage system collateral and resources.

Dunny Do's and Dunny Don'ts focusses on encouraging the community to be sewer wise and only flush the three Ps – pee, poo, and toilet paper.

Sewer blockages and chokes cause significant issues on the Central Coast's sewerage system, costing customers money and potentially impacting the environment in a negative way.

Dunny Do's & Don'ts campaign includes:

- Encouraging community members to only flush the three Ps
- Explaining the financial impact to customers if the wrong items enter Council's sewerage network
- Informing the community on the environmental and human health impacts of sewer chokes, blockages and overflows
- Bag and bin items such as wet wipes, tissues, sanitary products and cotton tips.

Council's -Dunny Do's and Dunny Don'ts animation.

Key communication messaging include:

- Dunny Do's and Dunny Don'ts
- Wet Wipes block pipes!
- Tissues cause issues
- Bag it and bin it
- Flush right, keep it tight.

Protect Your Pipes



Accompanying the Dunny Do's and Dunny Don'ts campaign is the Protect Your Pipes campaign which primarily focuses on sinkable items or items that can safely be disposed of down a drain or sink.

Sinking oils, fats and grease cause significant issues in Council's sewerage system. These items combine with inorganic materials potentially causing 'Fatbergs' (wet wipes and rags mixed with fats and oils) which block pipes and choke pumps with a financial impact on customers.

Alongside this message, Council is also promoting correct chemical, motor oil and paint disposal to discourage these items being poured down drains and into Council's sewerage systems.

The aims of the protect your pipes campaign include:

- Encouraging community members to only let water, soap and toothpaste go down the sink
- Explaining the financial impact to customers if the wrong items enter Council's sewerage network
- Informing the community on the environmental and human health impacts of sewer chokes, blockages, and overflows
- Educating the community on how to properly dispose of fats, oils, grease, chemicals, and motor oils.

Key communication messaging includes:

- Protect your pipes
- Think before you sink
- Add fats, oils and grease to a container and dispose of in the red lid bin
- Recycle motor oils and chemicals at Chemical Cleanout Events or at Buttonderry Community Recycling Centre
- Soap, water, toothpaste that's the go!

Campaign Promotion

Water & Sewer education campaigns were shared via the following mediums with the Central Coast community:

- Social media
- Radio commercials
- Cinema advertising
- Service station advertising
- Video on demand
- Bus shelter advertising
- Static shopping centre advertising
- Convenience advertising.

Additional advertising to push education campaign messages have included:

Direct email, Council newsletters and water rates inserts, local newspapers and media releases.

Protect water resources with sustainable practices

Central Coast Council is once again encouraging the community to get involved in National Water Week 2024, running from October 21 to 27, under the theme Accelerating Action.

This year's theme highlights the urgency of protecting our water resources and taking proactive steps to address the climate crisis through sustainable water practices.

With climate change increasing pressure on our water supplies, Council's Director of Water and Sewer, Danielle Hargreaves, emphasised the need for collective action to secure a sustainable water future.

"Water is an essential part of our everyday lives, and each of us has a role to play in protecting this valuable resource," Hargreaves said.

"This year, National Water Week is all about taking immediate steps toward better water management and making sustainable practices part of our daily routine. Now is the time to act.

"Small actions can make a significant difference when it comes to saving water.

"Reducing your shower time, using water-efficient appliances, and fixing leaks at home are simple ways to conserve water.

"During National Water Week, we'll share tips on how to make these changes and why today they matter more than ever," Hargreaves said.



Dive into Accelerating Action this Water Week

Central Coast Council Mayor Lawrie McKinna is inviting residents to participate in Water Night on October 24, encouraging everyone to turn off their household non-essential taps between 5pm-10pm.

"Water Night, much like Earth Hour, is a national event aimed at raising awareness of water use and how we can all reduce unnecessary consumption," McKinna said.

"Many of us are unaware of how much water we use each day. Water Night gives us a chance to pause and reflect on our water habits, and how even small changes can lead to big impacts for both the planet and our wallets."

In addition to Water Night, Council will host a series of events, educational workshops, and activities across local schools and in the community during National Water Week to promote water conservation and climate action.

Households, businesses, and schools will also be encouraged to view Council's resources and implement water-saving strategies.

Join in this National Water Week 2024 and sign up for Water Night on October 24 at: waternight.com.au

To book into one of Council's workshops, visit: centralcoast.nsw.gov.au/whats-on

For water-saving tips, and information on how you can make a difference: lovewater.centralcoast.nsw.gov.au/save-water

Coast Community News

Community education event numbers

Over 4,000 residents participated in water and sewer community education events since 2023 comprising:

- 33 education pop-up events at local festivals, markets, and shopping centres
- Seven workshops focussing on water-wise gardening and green cleaning techniques
- Four tours of Council's water and sewer assets
- Four bespoke events: Dam Day Out 2024, World Rivers Kayak Tour 2024, Dam Day Out 2025, and Carp to Croc 2025.

Education pop ups

Council has renewed its visibility within the community by setting up educational stalls in local markets, festivals and shopping centres which provides opportunities to inform the community about water and sewer wise behaviours and engage Council's community on their preferences when it comes to their water and sewer services.

Workshops

Community education workshops have been recognised as a priority in terms of educating and engaging with Council's community. Workshops provide hands-on learning within an environment that may cater towards other interests but include water and sewer learning opportunities.

- Love Water Garden Wisely Workshop: participants at each session built their own wicking garden bed, which they were able to take home with them. The benefits of these workshops was to reduce the impact of water used outside the home, specifically in the garden and include increased general awareness and education on outdoor water conservation strategies, the importance of substrates on water retention, broadening of waterwise gardening set-ups including wicking beds, drought tolerant plant selection including edible perennials, and improving Council's relationships and reputation with the community.
- Protect Your Pipes - Chemical Free Cleaning Workshop: aims to achieve a reduction of chemicals and nutrients entering Council's sewerage network and treatment plants from participants learning natural cleaning alternatives.

Mangrove Creek Dam Visitor Centre

The community and visitors travelling through the Central Coast hinterland can visit the informative new visitor centre and learn about the history of Mangrove Creek Dam over the years, insights into the water supply system, natural environment, and cultural heritage of the surrounding area. The visitor centre is utilised for tours, events, and education programs.

The centre includes:

- New interactive visitor education centre with signage and digital displays
- Accessible family friendly amenities
- Children's play space
- Revitalised picnic area with new picnic table shelters, bins, and bench seating.

Dam Day Out

The Dam Day Out event, hosted at the Mangrove Creek Dam Visitor Centre, has quickly become a highlight of Central Coast Council's community event calendar. Launched in June 2024 as part of the Harvest Festival, the event has now run successfully for two consecutive years, attracting over 1,000 attendees across 2024 and 2025.

The day offers a unique opportunity for the community to learn about the journey of water from the dam to their taps, all while enjoying the picturesque views of Mangrove Creek Dam. Attendees arrived at the event via shuttle bus from Kulnura and were officially welcomed to the lands via a Welcome to Country facilitated by the Darkinjung Local Aboriginal Land Council.

- Each year, the event has featured a diverse range of free, family-friendly activities
- Live theatre performances engaging children in water education through storytelling
- Face painting and interactive displays for younger audiences
- Water-wise gardening and green cleaning workshops
- Educational pop-ups from Kulnura Rural Fire Service, Local Land Services, and Council's Waterways, Catchment, Weeds, Biodiversity and Water and Sewer Education Teams, offering hands-on learning experiences
- Dam wall tours allowing participants to get a behind-the-scenes experience of the dam.

The success of Dam Day Out has been reflected in positive community feedback, highlighting its value in promoting environmental awareness, water literacy, and community connection.



Dam Day Out 2024

Carp to Croc

Council invited the community to fish for a cause and participate in the inaugural Carp to Croc Fishing Competition. Carp are one of the most destructive invasive species in Australia's freshwater systems, degrading water quality and outcompeting native fish. Carp to Croc provided a chance to help restore Council's local waterways—while ensuring the catch is put to good use. The program consisted of a launch event with over 300 people attending and a fishing competition period with over 100 people registering catches. The fish were donated to the freezers at BCF Tuggerah, and the frozen carp donated to the Australian Reptile Park as food for their crocodile – Elvis. The carp will sustain Elvis for six months, and some additional carp were sent to The University of Newcastle for further studies.

The launch event was held at Wyong Milk Factory, and included a fishing, electrofishing and rod rigging demonstration, carp cooking showcase from a professional chef, talks from experts at OzFish, BCF, Council, Department of Primary Industries (DPI) and WaterNSW.

The fishing competition encouraged the community to participate in a muster style fishing competition, targeting invasive carp. The fishing competition was run through the Fish Donkey app and took place from 5th April - 5th May. Prizes were awarded for certain categories.



Carp to Croc - Reptile Park 2025

School Education Program Numbers

Over 11,500 students participated in water and sewer schools' education programs from 2023 in the form of:

- 51 Walter Smart and Friends Incursions run in 35 Central Coast primary schools for 9,236 students
- 60 Little Drops Incursions run in 37 Central Coast pre-schools/Early Learning Centres for 1,327 students
- 60 Flow Forward Incursions run in six Central Coast high schools for 236 students
- 20 Flow Forward Incursions run in two Central Coast primary schools for 100 students
- Seven Story Time sessions run in local libraries for 170 children and parents
- 10 Urban Water Cycle tours for 327 students from four high schools, three primary schools, one home school group and three universities
- Two high school STEM Programs reaching approximately 120 students.



Excursion and Tours 2024

Walter Smart and Friends

Delivered in collaboration with The Water Conservancy and local company Gibber, 'Walter Smart and Friends' is an educational performance delivered to children in kindergarten through to Year 6, with workshops run for any children aged from Year 2.

The program has been developed to complement key aims of the K–6, New South Wales Education Standard Authority, (NESA) syllabus for Science and Human Society and Its Environment (HSIE), Geography and aligns with the cross-curriculum priorities that 'enable students to develop understanding about and address the contemporary issues they face' with particular emphasis on sustainability.

Walter Smart and Friends delivers a set script and workshop to increase water literacy in primary school students with the goal of being to make a substantial change in water knowledge and water usage behaviours. The performance and workshop package covers water supply, treatment, what to flush down the toilet, the 3Ps, water efficiency and waterwise behaviours.

Flow Forward Education Program

Local environmental education centre, Rumbalara, is working with Council to deliver a School Water Incursion Program. The program can be delivered at two levels: secondary school for Stage 4, either an environment group or student leadership group; and primary school for Stage 1 leadership ready group or class. The focus of the program is to work with student leadership groups to:

- Learn about water conservation through hands-on activities, with links to local catchment areas
- Conduct a water audit at schools
- Develop and implement a Water Savings Action Plan (WSAP) for schools
- Communicate water efficiency concepts to other students in schools.

The program will be delivered by Rumbalara in partnership with Council's Water Education Officers.

The Flow Forward program has significantly contributed to both business and community outcomes through its measurable improvements in water conservation. By conducting water audits and implementing Water Savings Action Plans (WSAPs), the program enabled participating schools to identify and rectify water inefficiencies, resulting in substantial reductions in water consumption and operational costs.

The program was a finalist in the LGNSW Excellence Awards.

Little Drops Early Childhood Education Program

The water and sewer education team have developed a fun and engaging program called 'Little Drops' designed especially for Council's youngest Central Coast residents. Through interactive songs, a story book and a game, children will learn where water comes from, why it's important to use it wisely, and what should (and shouldn't) be flushed down the toilet. This engaging program helps foster lifelong water-saving habits in a way that's both educational and entertaining. Take home collateral in the form of sticker activity sheets, toilet paper branded with Council's 'Dunny Do's/Don'ts' messaging.



Flow Forward 2024

High School Science, Technology, Engineering and Mathematics (STEM) program

A collaboration with GHD and The University of Newcastle to help promote STEM opportunities among young students, in particular women on the Central Coast. The program offers an excursion to three schools once a year for students currently studying a Science subject in Years 10–12. The program aims to inspire students to pursue a STEM career by exposing them to STEM led roles within GHD, University and Council Water and Sewer, with a site activation at each location with different opportunities. The students complete an overarching water related project throughout the term and some students are encouraged and mentored to enter the Australian Junior Water Stockholm Competition.

The students on the day experienced:

- Virtual Reality engineering & design of a desalination plant
- Drone piloting
- Ecological animal identification
- Water quality analysis
- Water treatment plant tour.



STEM Program 2024

Water Night 2024 Sponsorship

Council Sponsored Water Night in 2024 as part of its water conservation education programming. Water Night is an annual event aiming to improve everyone's water knowledge to help us all value water more. Council asks individuals and households to turn off all non-essential taps from 5-10pm with the aim to increase water awareness, leading to long term behavioural change. Council had the highest LGA individual household and internal staff sign ups out of all participating water utilities and regions and had extreme success in the Water Night Live component of the event. Some highlights of the overall campaign included:

- 38.8% increase in water literacy amongst participants
- The most signups ever – 31% increase from 2023 (5,368 households signed - 15,492 individuals)
- Total campaign reach of over 4.2M and 5.3M impressions.

The total demand on Water Night 2024 was 80.1 ML/day and the three days average post the Water Night is 90.3 ML/day. So, on Water Night Council saved approximately 9.5 – 10 ML of water. Water Night Live 24 October 2024 is the online component of the event, TV presenter and Australia's favourite gardener Costa Georgiadis invited Council to participate in a live stream for Water Night 2024. During the event, CCC Dylan Magrin joined the conversation to discuss the Council's water-saving initiatives and educational programs. . While three other councils represented, only Central Coast Council streamed the event live on Facebook.



Figure 7: Internal Communication Water Night 2024

National Water Week Poster Competition

Council has run the National Water Week Poster Competition for two years in 2024 and 2025. Overall, Council received 30 submissions from more than 10 schools.

Woodport Public School student, Autumn, was named the National Winner in the Year 3–4 category of the National Water Week Primary School Poster Competition in 2024.

Council Mayor, Lawrie McKinna, Mayor, presented Autumn with her well-deserved award and thanked all local students for their creativity and commitment to water conservation.



National winner of water poster competition

Central Coast Council has named Woodport Public School student Autumn Lo as national winner in the Years 3–4 category of the National Water Week Primary School Poster Competition.

Autumn's winning artwork, chosen from thousands of entries nationwide, illustrates the essential connection between the health of our waterways and the quality of our drinking water.

Council Director Water and Sewer Danielle Hargreaves said the poster was an inspired expression of Council's water conservation and sustainability themes.

"The National Water Week Annual Poster Competition inspires young people to have a greater awareness of our precious water resource," Hargreaves said.

"We are absolutely delighted to have a local student recognised for her artwork and encourage more schools to join the celebration of water conservation next year.

"The poster competition was just one of Council's activities for 2024 National Water Week, held in October each year.

"Our education team reached 1,700 students through its primary education program and received over 180 responses to our community survey used to gauge community water literacy at pop-ups around the Coast.

"Additionally, as part of National Water Week, Costa Georgiadis from ABC's Gardening Australia live streamed on Council's Facebook page during Water Night showing us how easy it can be to make sustainable choices at home – receiving over 3,000 streams.

"It's great to see our community get involved with our water education opportunities."

Central Coast Mayor Lawrie McKinna said it was a pleasure to present Autumn Lo with the well-deserved award and thanked all the local students who participated in the poster competition.

"Autumn's artwork serves as a powerful reminder of the importance of protecting our environment, to love water and use it wisely," McKinna said.

"Council proudly acknowledges Autumn's success and recognises all participating primary school students across the Central Coast for their creativity and commitment to water conservation.

"Students were encouraged to design, draw or paint a poster focused on important local water issues.

"It's great to see that the National Water Week Annual Poster Competition is helping to foster a water-smart community."

Woodport Public School Principal Judy Beland, Autumn Lo and Mayor Lawrie McKinna

Coast Community News - Poster Competition

6.2 Internal Education

6.2.1 IPART regulatory framework

With the introduction of the new IPART 3Cs model, there was an identified gap in knowledge of IPART deliverables for employees in the Water and Sewer directorate. Council's Water Education Officers were tasked to create and deliver two phases of internal education to uplift their fellow employees.

6.2.2 People's Panel Education

The People's Panel provide a diverse community voice for Water and Sewer engagement on projects and policies. To ensure the People's Panel were uplifted enough to provide valuable input, they were taken through two intensive education stages.

Stage 1: Tours of assets

The Panel members were taken on a tour to Mardi Dam, Mardi Water Treatment Plant and Wyong South Sewage Treatment Plant. The group were required to complete an educational booklet along the way. Giving the group insight into the water industry and the services Council deliver meant their feedback and ideas were backed with industry knowledge and experience.

Stage 2: Future Service Options (willingness to pay)

The People's Panel played an important role in Council's Future Service Options (willingness to pay) engagement. The Panel were tasked with co-designing content used for the broader community deliberative forums. Before this engagement, an education session was held where the Panel members were briefed on:

- Outcomes from the *Your Water and Sewer Services Community Consultation 2024*
- Introduction to IPART as a regulator
- Willingness to Pay: understand how IPART sets prices, negotiables and non-negotiables and what services the community can provide input on.



People's Panel Education Tour 2024

Engagement case studies

Case study - Customer-centric excellence at the heart of it all: Central Coast Council's Water and Sewer Customer Liaison Officers

The CLO initiative is not just a service, it's a lifeline. From helping dialysis patients during emergencies to supporting families in crisis, these stories reflect the deep compassion and commitment behind Council's engagement efforts. The Customer Liaison Officer (CLO) initiative was strategically developed to enhance customer experience, project transparency, and service reliability for residents impacted by major water and sewer projects, environmental incidents, and emergency works. This initiative directly aligns with Council's commitment to provide proactive community engagement, responsive service delivery and transparent governance.

The need for dedicated CLO positions was identified as part of Council's IPART submission, which highlighted a gap in direct, proactive communication regarding water and sewer operations. Historically, residents were frustrated by insufficient notice about service disruptions, infrastructure projects, and emergency works, leading to mistrust and dissatisfaction. Addressing this issue required a structured, human-centred approach that placed customer communications at the forefront of service delivery.

This initiative was developed through these roles and involved a structured and strategic approach, including:

- Analysis of service complaints and resident feedback, revealing common issues related to delayed or unclear communication
- Benchmarking against best practices in stakeholder engagement within the infrastructure sector
- Aligning with Council's existing strategic commitments including the Water and Sewer Customer Charter and Complaints Management Framework reinforcing Council's pledge to prioritise customer needs
- Collaboration with internal teams including customer service, communications, project managers and field teams to design an effective engagement framework.

The CLO initiative aligns with key objectives outlined in Council's Community Strategic Plan and Operational Plan particularly around:

- Customer focused service delivery by strengthening direct engagement, responsiveness, and transparency
- Provides multiple avenues for residents to contribute feedback and stay informed
- Ensuring accountability in water and sewer service management
- Enhances communication during unexpected service disruptions by building resilience and emergency preparedness.

Beyond these strategic priorities, this initiative also supports Council's long-term commitment to improving stakeholder engagement, reducing complaints, and optimising service efficiency.

The CLO initiative distinguishes itself through its dedicated, personalised approach to community engagement, which goes beyond traditional council communications. Key innovations include:

- Identifying critical customer touchpoints and implementing tailored communication strategies to improve transparency and responsiveness
- Utilising a diverse range of engagement methods, including direct phone calls, letters, door-knocking, email notifications, and public meetings, ensuring that information reaches customers through multiple channels
- Establishing feedback mechanisms that allow for continuous refinement of engagement practices, ensuring that customer concerns and suggestions are actively considered in decision-making processes
- Enabling faster, more informed responses to community concerns, reducing delays in addressing issues.

The CLO initiative was designed to be cost-effective yet high impact, with funding incorporated into Council's operational budget. The structured, scalable model ensures that ongoing investment remains in-line with community needs and service demand.

Moving forward, Council aims to:

- Leverage technology and data-driven insights
- Expand the CLO framework to cover more projects
- Use community insights to drive further service improvements.

By prioritising customer experience, proactive engagement, and collaborative service delivery, the CLO initiative represents a transformative approach to community partnership.

The success of the initiative is reflected in tangible engagement metrics and customer feedback. In under two years, CLOs have:

- Reached over 2,700 customers via phone and 14,500 via email/letter
- Conducted 164 site visits and 31 community meetings to provide direct project updates and address customer concerns
- Door-knocked over 822 homes, ensuring personalised engagement for those most impacted by service disruptions
- Played a key role in large-scale projects, such as the Mardi Water Treatment Plant upgrade and the Davistown Vacuum Pot System upgrade, ensuring affected stakeholders remained informed and involved
- An increase in Council's Net Promoter Scores (NPS) and improved customer satisfaction, as reflected in the Water and Sewer Quarterly Qualtrics surveys. Council's NPS increased from 10 in January 2023, to its current level of 45 and an improved customer satisfaction which increased from 68% to 83% for the same periods.

A key strength of the positions is their availability during water and sewer emergencies. When sewer and water failures occur, CLOs attend the site, day and night, including weekends, to assist affected residents. This ensures that residents feel supported during times of crisis and helps restore trust in Council services.

During these emergencies, CLOs play a vital role in explaining the situation to residents, detailing exactly what has happened, what Council are doing to restore services, and providing a clear process for recovery. They also assist with claims and insurance processes, ensuring residents understand the steps ahead. In addition, CLOs provide support services, such as helping residents with access to housing, and other critical services during service disruptions, ensuring a comprehensive approach to customer care.

A couple of examples of this include driving a dialysis patient to her dialysis during Council's boiled water alert incident in February 2025 after contacting all the critical customer including aged care, schools and childcare in the area or finding childcare for a resident whose house was unliveable after a water main break.

Case Study 2: Building community voice — The Central Coast Council Water and Sewer People's Panel

In late 2024, Council launched the People's Panel—a representative community group established to provide informed input on key decisions, including the upcoming water pricing proposal.

Panel membership was secured through a structured recruitment and registration process facilitated by an independent agency to ensure broad community representation. Participation is limited to registered members, maintaining the integrity and inclusivity of the process.

Purpose and objectives:

- Serve as a diverse, representative voice for the Central Coast community
- Promote trust, accountability, transparency, and balanced decision-making
- Contribute to sustainably improved outcomes for the community
- Provide feedback on Council's water and sewer pricing submission
- Establish a foundation for ongoing community consultation.

Panel responsibilities:

- Hold Council accountable through informed questioning
- Engage with provided materials to remain well-informed
- Foster equal participation and respectful dialogue
- Adopt a long-term visioning approach (10+ years forward)
- Actively listen to Council, fellow panellists, and community feedback.

In alignment with Central Coast Council's Water and Sewer Community Engagement and Education Approach, Panel members underwent a tailored educational program designed to deepen understanding of Council's water and sewer assets and operations. This included an educational site tour featuring key infrastructure assets: Mardi Dam, Wyong South Sewage Treatment Plant, and the Woodbury Inn Park Sewer Pump Station.

This initiative reflects a long-term investment in informed civic participation and transparent governance, equipping community members with the knowledge required to make meaningful contributions to future water and sewer service planning.

Abbreviations

CALD	Culturally and Linguistically Diverse
CCCWSP	Central Coast Council Water Security Plan (CCCWSP)
CES	Customer Effort Score
CLO	Customer Liaison Officer
CSS	Customer Satisfaction Score
DCCEEW	Department of Climate Change, Energy the Environment and Water
IPART	Independent Pricing and Regulatory Tribunal
NPS	Net Promoter Score
SPS	Sewage Pump Stations
STP	Sewage Treatment Plant
WEMP	Water Efficient Management Plan
WSAP	Water Savings Action Plan

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Draft Liquid Trade Waste Management Policy | Your Voice Our Coast

Central Coast Council | Water and Sewer

Technical Paper 1

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September 2025



Technical Paper 2

Service levels

September 2025

Central Coast Council | Water and Sewer

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1 Key points

- The primary purpose of Central Coast Council's (Council) Water Utility is to provide consistent and reliable drinking water services in terms of quantity and quality. In addition, provide environmentally and socially responsible sewer services delivered in an economical and sustainable manner.
- Council operates within the legislative and compliance framework to deliver services according to Council's Water and Sewer Customer Charter and contractual obligations by developing policies, procedures, systems and mechanisms.
- Council ensures safe, reliable, and affordable services and quantifies its service output levels by a series of measures associated with quality, customer complaints, main breaks and failures, service interruptions and management.
- Council is actively pursuing customer-centricity by understanding the needs of the community and considering customers in all major decisions and actions.
- Council recognises water as a precious resource and continues to undertake water conservation measures.



2 Service levels in current pricing period

2.1 Background

Central Coast Council (Council) is unique in that its water and sewer services are legislated by the *Local Government Act 1993* (LG Act); however, prices are regulated by the *Independent Pricing and Regulatory Tribunal (IPART) Act 1992*.

Unlike other Local Water Utilities, Council, when setting prices does not reference the Department of Planning and Environment (DPE) "Best Practice Management of Water Supply and Sewerage Guidelines". Council is legislated to reference IPART's regulatory framework. Council is the only local water utility where pricing and developer charges are regulated by IPART. Council only needs to demonstrate compliance with the liquid trade waste policy and approvals component of DPE's criterion.

As a means of evaluating Council's service level efficiency, this paper provides an overview of performance indicators in the current determination (2022-26) by comparing them to other medium, large and major utilities in New South Wales. It also provides a narrative around Council's performance and provides explanation and ongoing activities regarding performance.

National Performance Reports (NPR) benchmark the pricing and service quality of Australian water utilities. Indicators include water resource supply and usage, financial operations, bills and pricing, assets, water quality compliance, and customer performance. These reports support commitments under the National Water Initiative (NWI) and are published annually and prepared independently by the Bureau of Meteorology (BOM), State and Territory Governments and the Water Services Association of Australia (WSAA).

This technical paper highlights Council's performance against other utilities, this includes:

- Water quality complaints per 1,000 properties
- Unplanned interruptions per 1,000 properties
- Water main breaks per 100 km of main
- Average duration of water outages
- Sewer main breaks and chokes per 100 km of mains
- Water losses per litres per service connection per day (no target set by regulators).

Council reports both quarterly and annually on its website on its progress, achievements, and challenges in alignment with commitments made to our community. These reports can be found in the following link:

https://www.centralcoast.nsw.gov.au/residents/water-and-sewer/about-water-and-sewer-services/water-and-sewer-performance-reports-and-delivery-plan

Beginning in 2023, Council conducted several community engagement activities to determine what our community values in relation to its services. These values and outcomes are highlighted below (refer to Figure 1, Table 1 and Table 2).

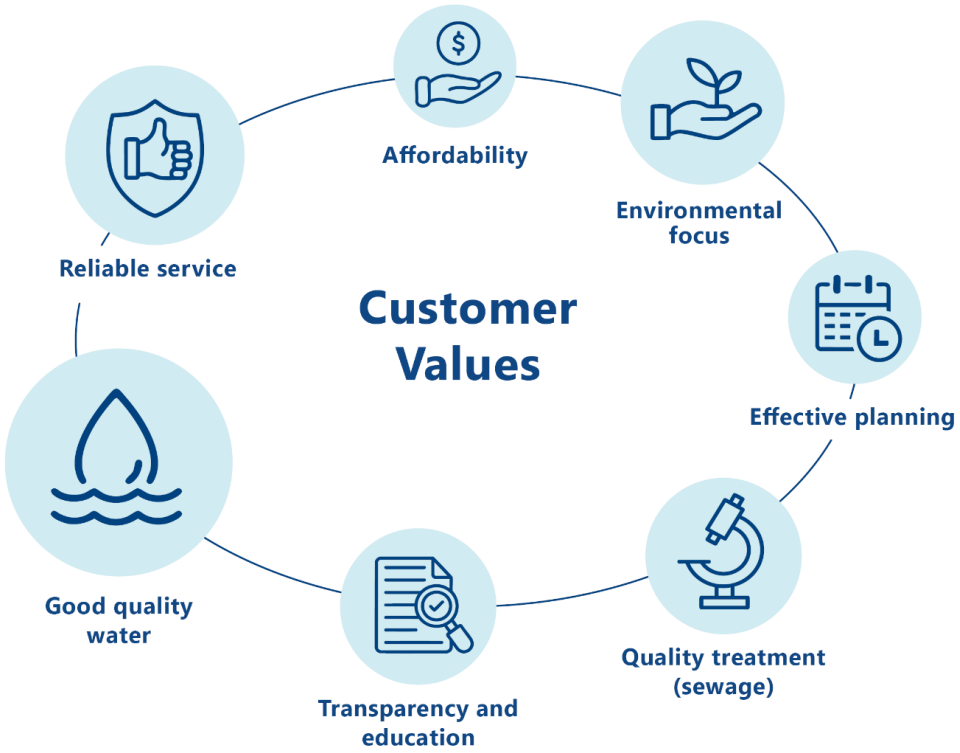


Figure 1: Community values

Table 1: Community values – Water

Water – Values and Outcomes					
Good quality water	**Reliable service**	**Affordable**	**Effective planning**	**Environment**	**Transparency**
Clean, clear, and safe drinking water drinking water	Consistent water supply available to everyone. Good water pressure	Cost efficient - keeping costs as low as possible for customers	Having enough water for increased population	Protecting the natural environment within catchment areas	Providing clear, easy to understand information and good communication
Good taste and smell	Well maintained network, reducing leaks	Consistent bills over time (predictable)	Using variety of sources for non-drinking purposes, and to deal with varied climate conditions e.g., recycled water, stormwater capture		
Water content is tested/monitored regularly. E.g., chlorine levels	Responding to faults and issues quickly	Fair allocation of costs between customers	Collecting and reusing more water at household level e.g., rainwater tank/use for greywater		



Table 2: Community values – Sewer

Sewer – Values and Outcomes					
Quality treatment	**Reliable service**	**Affordable**	**Effective planning**	**Environment**	**Transparency**
No health impacts on customers or workers	Minimal overflows, broken pipes responding quickly to issues	Cost efficient-keeping costs as low as possible for customers	Long term planning to ensure the sewerage service is sufficient for future needs	Protecting the oceans and marine life	Providing clear, easy to understand information and good communication
Suitable effluent quality	Suitable infrastructure is well maintained	Fair allocation of costs between customers	Using the latest technology/innovations/learning from other countries e.g., recycled water	Using renewable power for treatment plants	Raising community awareness - what to put down the toilet, implications of not doing this, what happens to waste
Minimal odours			Adaption to climate change	Greater use of biosolids	Transparent pricing and costs - what the service fee is made up of
					Easier accessible water safety ratings for beaches and recreation areas
					Greater public truth that council has the expertise and resources needed to deliver on its promises

2.2 Revenue invested in community values

Over the current determination period (2022-2026), the revenue collected from bills will be invested in capital works (42%) and operations (58%). The revenue is based on the average bill of $1514[1] (2024-25) per annum. The operational and capital expenditure activities to address community values are in the current determination, and are highlighted below, with percentage allocation shown in Figure 2.

Effective planning – costs associated with the development of the Central Coast Water Security Plan (CCWSP), water conservation, resilience and sustainability strategies, water demand forecasting, development assessments, asset strategies, planning and delivery, asset maintenance schedules and construction of major works.

Environmental – compliance with licence obligations at Council's ocean outfalls NSW Environment Protection Authority (EPA) Environment Protection Licences (EPL), weed management in catchment areas, protecting Aboriginal sites, protection of endangered species, management of fish weirs, monitoring water quality in our catchments for PFAS[2] and other chemicals, checking rivers for giardia and blue green algae and waterway health, management of bushfire prone lands around our critical assets and maintenance of asset protection zones. Also includes environmental assessments for capital works and emissions monitoring at the Sewage Treatment Plants (STP).

Reliable service – maintaining assets related to the transport of water to and from the Water Treatment Plants (WTP) to the property and sewage removal from the property to the STPs. This includes:

- Monitoring of critical assets 24 hours a day, seven days a week
- Immediate response to urgent incidents (as defined in Council's Customer Charter)
- Operational costs associated with sewage pump stations, low pressure systems, effluent mains, sewage mains, vacuum pots, water pump stations, water mains (including raw water assets), chlorination stations, reservoirs, service lines and water meters (some costs associated with reliable services are related to environmental costs that are often associated with sewer overflows). These costs include electricity, labour, materials, plant and fleet, contractor, and labour costs for both reactive and preventative maintenance.
- Capital investment in pump stations, reservoirs, treatment plants, reticulation mains upgrades as well as telemetry.

Quality water – the capital costs associated with improving water treatment at both Somersby and Mardi WTPs. It extends from water catchments to delivery and includes the water storage at the dams of Mangrove, Upper and Lower Mooney, and Mardi. In addition, monitoring water quality in the water lifecycle, laboratory costs associated with sampling and

[1] Based on household using 180kL water usage

[2] PFAS – polyfluoroalkyl a group of man-made chemicals.

compliance and water dosing practices. It includes costs associated with chemicals, materials, energy, plant and fleet, contractor costs and labour.

Quality treatment – the costs associated with the treatment of sewage at Council's STPs at Charmhaven, Gwandalan, Mannering Park, Toukley, Wyong South, Bateau Bay, Kincumber, and Woy Woy. It includes the costs associated with chemical, materials, energy (to run the facilities), labour, contractor costs and biosolids removal. Capital investment at Bateau Bay STP, sludge lagoon refurbishment at Toukley STP, aerator replacement at Woy Woy STP and sludge mechanical dewatering renewal at Kincumber STP.

Administration – costs associated with support activities including costs associated with business performance, regulatory reporting, compliance and IPART monitoring.

Support services – costs associated with Council's support services including customer service, fleet management, financial and legal, human resources, communication, engagement, information technology and depot services.

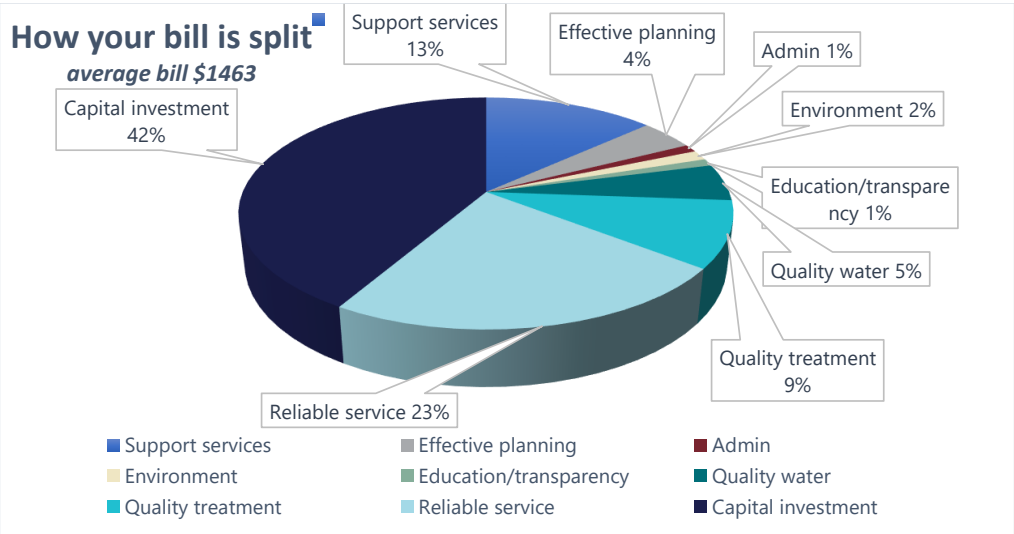


Figure 2: Shows the percentage of revenue collected and how it is split to align with customer/community values

As part of Council's engagement, our community was asked for their thoughts on Council's current performance targets that were previously set by IPART.

In general, the community agreed that there should be a continuous improvement towards meeting the current performance metrics, with everyone agreeing that performance against wastewater breaks, chokes, and overflows should be improved. However, in addition to this feedback, the community expressed little appetite for increasing bills to reduce these targets apart from water quality. There is no target set for 'Average duration of unplanned interruptions' as the community did not raise this an issue of concern. Community preference was to focus on affordability. The summary of the engagement is shown below in Table 3.

Table 3: Current and future performance targets

Performance item	Current performance target	Community feedback	Local Water Utility performance reporting 2023-24	Annualised performance 2024-25 (May 2025)
Number of unplanned water interruptions per 1,000 properties	115	Satisfied with current target. 67% satisfied (North) 33% to lower (North) 100% satisfied (South)	State average 60 per 1,000 properties	123 per 1,000 properties
Average duration of unplanned interruptions	No target set	No comment	State average 145 minutes	179 minutes
Number of water quality complaints per 1,000 properties	7	Community agreed target to be lowered no specific target set	State average 3.29 per 1,000 properties	4.0 per 1,000 properties Council's new target 5
Number of wastewater overflows per 100 km main	26	No target stated but agreed to be lowered and performance improve regarding future planning	State average 33 per 100 km of main	28.6 per 100 km main
Number of wastewater overflows reported to EPA per 100 km main	1.3	North group to report all overflows to EPA[3].	No State averages provided	2.3 per 100 km main
Number of wastewater main breaks and chokes per 100 km	30	No target stated but agreed to be lowered and performance improve regarding future planning	State average 33 per 100 km of main (NPR 2023-24)	36.5 per 100 km of main
Number of water main breaks per 100 km main	14	No target stated but agreed to be lowered and performance improve regarding future planning	State average 10 per 100 km main	14.1 per 100 km main

Using the National Performance Reporting (NPR), Council conducted analysis against other minor, large, and major water utilities against key performance metrics, these are shown in Figure 3.

[3] *Protection of the Environment Operations Act* (1997) requires that pollution incidents must be reported to NSW EPA where there is actual or potential material harm to ecosystems or health and safety of human beings that is not trivial, or if the pollution incident results in actual or potential loss or property damage of aggregate cost exceeding $10,000.

3 How does Council compare with other water utilities?

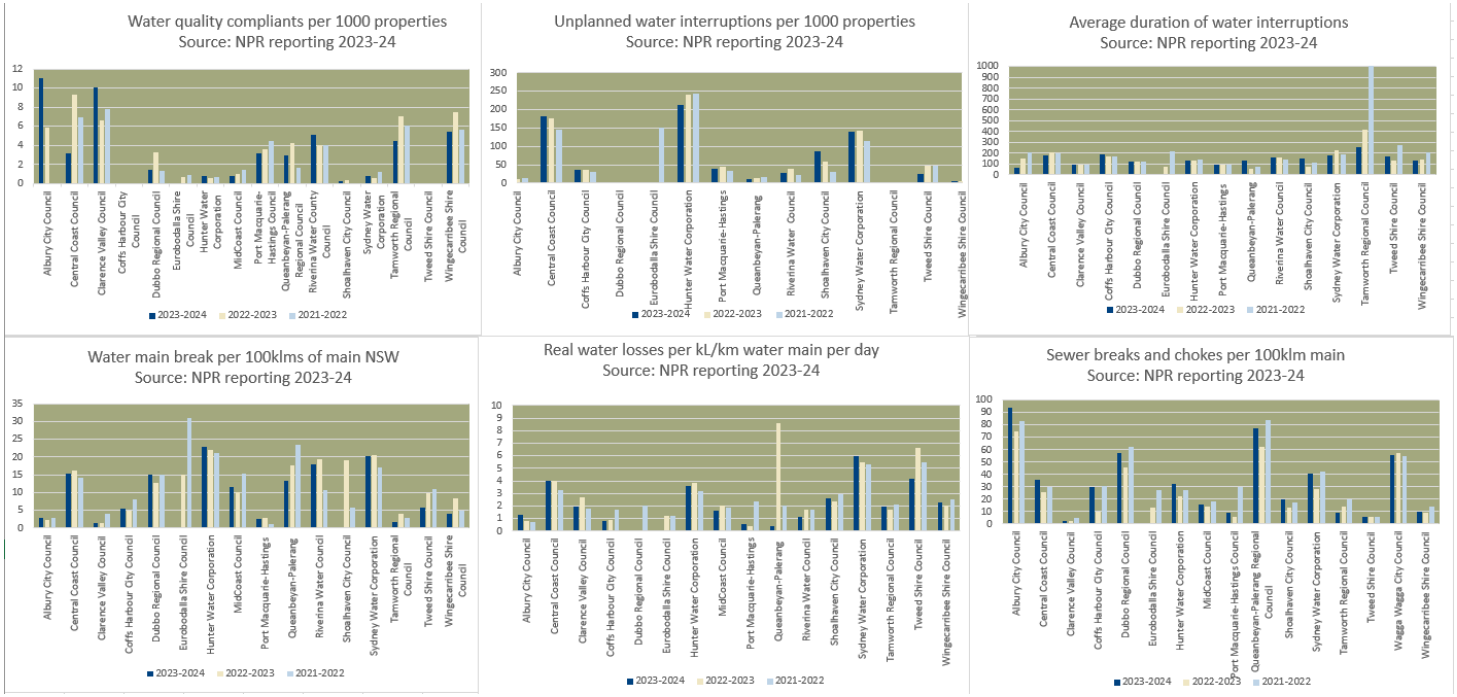


Figure 3: NPR comparisons against key performance indicators 2023-24 (last complete dataset)

4 Council's performance

4.1 Responding to our customers' requests for service

Council monitors how we respond to issues reported to us, by our customers. When issues are raised by our customers, they are categorised into urgent and non-urgent according to a matrix that assesses risk and impacts of the issue being reported.

Urgent issues include sewer chokes, sewer surcharges and overflows, water main breaks or potential environmental damage. We have committed to respond to urgent issues within one day. Please see Figure 4 for our performance results.

Non-urgent issues may include low water pressure, slow leaks or damaged water meters. Council's target is to respond to these lower priority issues within five days. Please see Figure 5 for our performance results.

Often, Council's response to issues reported can be impacted by weather or significant storm events.

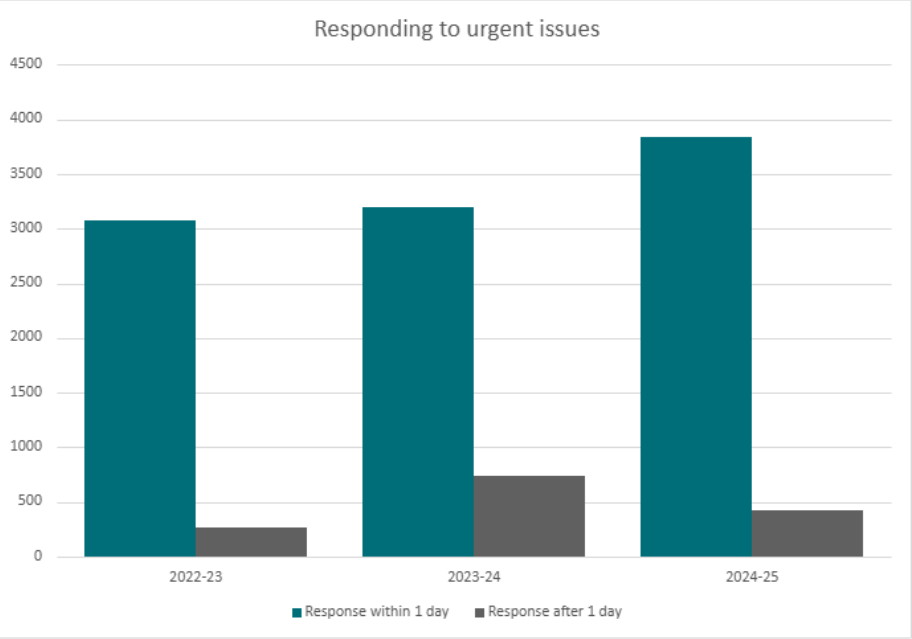


Figure 4: Responding to urgent issues within one day

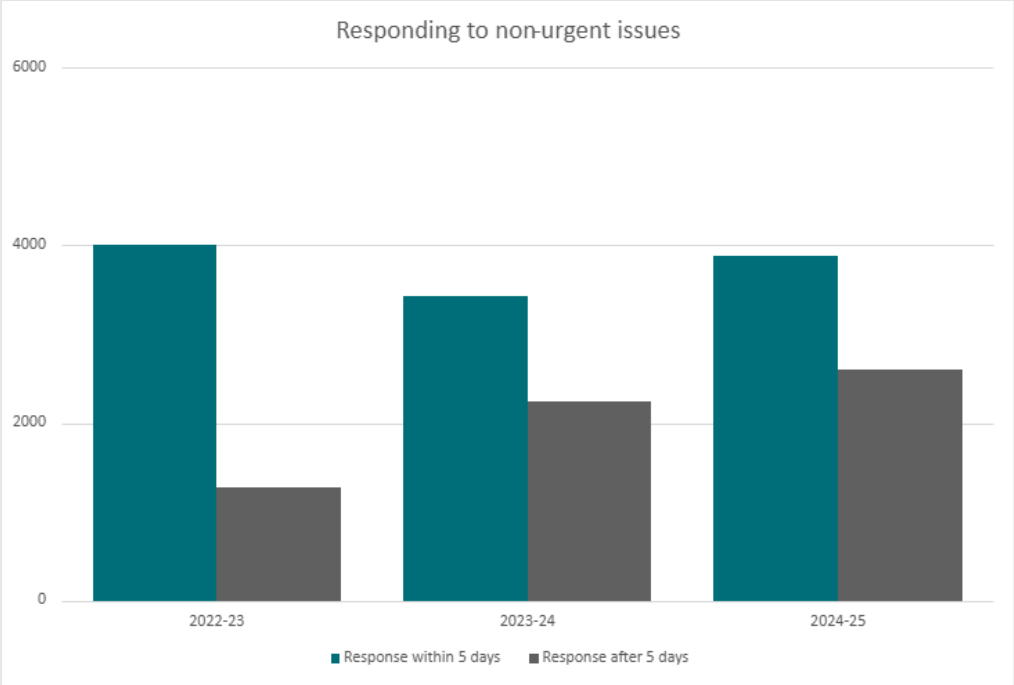


Figure 5: Responding to non-urgent issues within five days

4.2 Quality treatment of water – water quality complaints per 1,000 properties

Quality treatment of water starts in the catchment areas and extends to storage, treatment and transport to our customers. Collection of raw water from our catchments is often impacted by rain and storm events which present challenges for the treatment processes. Water produced by the treatment processes must comply with the Australian Water Drinking Guidelines (ADWG).

Water quality complaints are captured at the point of customer contact for initial operational consideration and response, then collated to monitor trends in complaint volume, type and location to better understand customer satisfaction with the drinking water services provided.

The trend in water quality complaints per 1,000 properties has been improving since late 2023. At May 2025, Council had received 4.0 water quality complaints per 1,000 properties (annualised). The average for water utilities that are in the medium, large and major categories is 3.29 per 1,000 properties. This result is within the adopted performance target of 7.0 water quality complaints per 1,000 properties and is approaching the NSW average of 3.29 water quality complaints per 1,000 properties for medium, large and major sized local water utilities. Please refer to Figure 6.

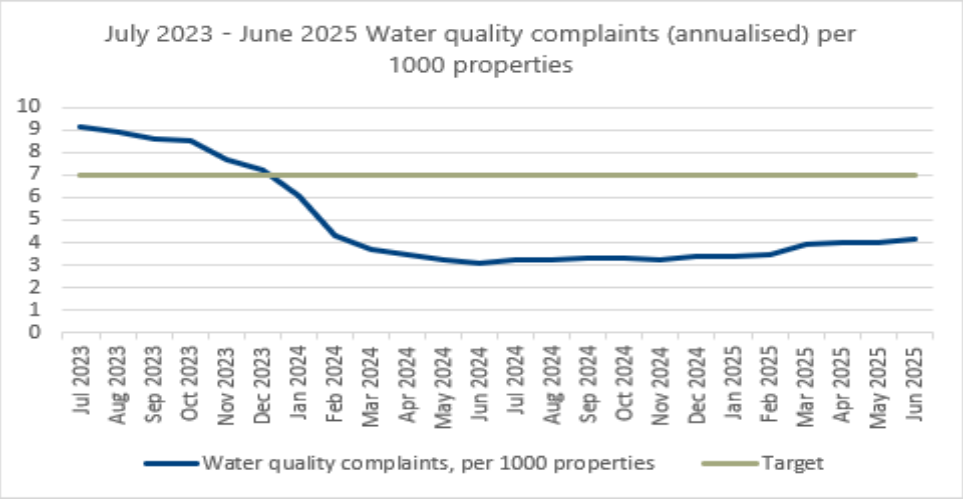


Figure 6: Water quality complaints (annualised) per 1,000 properties 2023-2025

4.2.1 Operational

- Council's reservoir structures are internally cleaned on a rotational basis. This is done both manually for steel structures and with the use of divers for predominantly concrete structures. In the current determination period (2022-26) Council has/intends to clean 63 reservoirs. For the 2026-31 determination period, Council is scheduled to clean 93 reservoirs. The use of contract divers includes a structural assessment report of the condition of the structure related to internal walls and leaks.
- An increase in the length of mains cleaned using closed loop filter cleaning. This increased from 63km in 2022-23 to 103km in 2024-25. Closed loop cleaning (No-des cleaning) areas are selected based on a heat map of annual discoloured water complaints. Each year around 100 km is selected based on the complaints. Please refer to Figure 7.

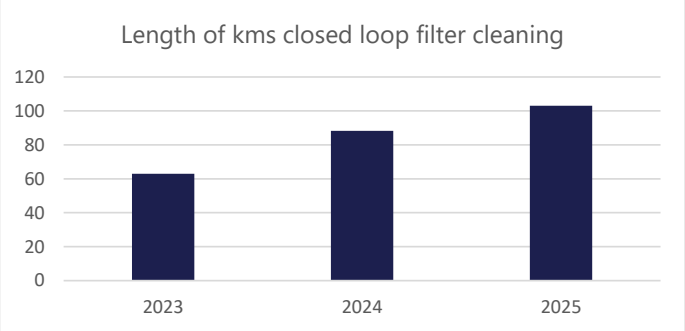


Figure 7: Length of mains cleaning 2023-2025FY

- An increase in water main hydrant flushing from 1,420km in 2022 to 2,074km in 2024 (refer Figure 8).

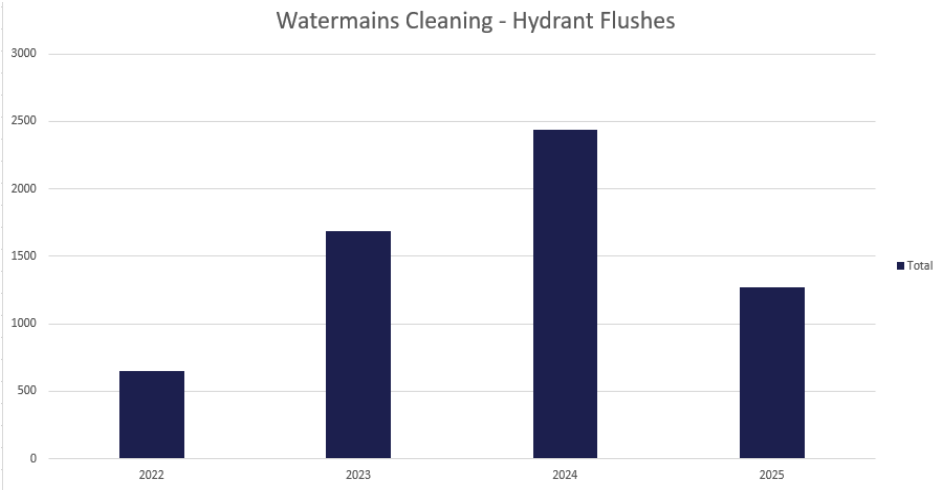


Figure 8: Hydrant flushing 2022-25FY (note 2025 low due to report timing)

- An increase in chlorine (taste) complaints received have been addressed by regular network maintenance such as the additional flushing and closed loop filter programs, to reduce the chlorine demand to disinfect the drinking water[4].
- The rollout of a new application in the field that allows "live" monitoring of water sampling for chlorine levels enable immediate chlorine adjustment, as required.

4.2.2 Capital Works Program

- **Somersby Water Treatment Plant** – project to improve reliability and efficiency of plant in preparation for Mardi Water Treatment Plant (MWTP) upgrade.
- **Mardi WTP upgrade** – completion of the upgrade will establish Mardi WTP as the principal drinking water supply for the Central Coast, securing 160ML/day treatment capacity, catering for peak day demand. The upgrade also allows increased flexibility for Council to manage water quality issues within its distribution network through the improvement of chlorine persistence and the reduction of disinfection by-product formation at the treatment plant, allowing more potential for re-chlorination as required within the distribution network.
- **Water main reticulation work** – replacement of water mains, in particular removal of dead ends throughout the network, assisting in water quality across the higher impacted areas.

4.2.3 Compliance with the Drinking Water Management System

Council is required to provide safe drinking water in accordance with the NSW *Public Health Act 2010*, the NSW *Public Health Regulation 2022*, *Fluoridation of Public Water Supplies Act 1957*, and *Fluoridation of Public Water Supplies Regulation 2017*.

A key requirement for drinking water suppliers is compliance with a quality assurance program in the form of a Drinking Water Management System (DWMS).

A Drinking Water Management System consists of documents, procedures, and other supporting information for the safe supply of drinking water. The DWMS must address the elements of the Framework for Management of Drinking Water Quality as set out in the Australian Drinking Water Guidelines (ADWG) relevant to the operations of the supplier. At the heart of the ADWG are Critical Control Points (CCPs) - activities, procedures or processes critical to controlling a water quality hazard (for example chlorination and filtration/particle removal).

Council maintains a catchment-to-tap water quality verification program, with CCPs established at critical barriers in the drinking water supply system to identify and take management actions to protect the health of customers. In addition to the internal water quality monitoring program, IPART established water quality output measures of 100% compliance with ADWG for microbial and chemical health guideline values within the previous determination period (2019-2022). Please refer to Table 4.

Table 4: % Compliance with ADWG microbial and chemical health guideline values

Period	% Compliance ADWG microbial guideline values	% Compliance ADWG chemical guideline values
2024/25	100	100
2023/24	100	100
2022/23	100	100

Overall, the results of the drinking water monitoring and verification programs demonstrate that Council continues to deliver safe drinking water to customers. Further information on Council's drinking water catchment, treatment and supply is provided in Technical Paper 10.

[4] Chlorine is used in drinking water to kill pathogenic micro-organisms.

4.3 Reliable service – water service interruptions per 1,000 properties

Unplanned water service interruptions occur when the water is isolated/stopped to address water mains break or other system issues associated with the water main. Causes of water mains breaks can be the age and construction of the pipe, shifting or constricting soil, or third-party damage.

Over the current determination (2022-2026), the number of unplanned water service interruptions per 1,000 properties (annualised) has reduced from 211 (January 2024) unplanned interruptions to 122 (April 2025) refer Figure 10. It is however above the NSW average of 60 per 1,000 properties for medium, large and major water utilities.

Council replaces ageing and poor performing water mains with the water main renewal project. The determination of renewing a water main is based on the following assessment criteria:

- Age of the asset
- Risk of failure
- Number of times a main has failed within a 12-month period
- Consequence of failure – includes impact of failure on the environment and property damage.

Over the current determination (2022-2026), Council has renewed 11.3 kilometres of water main.

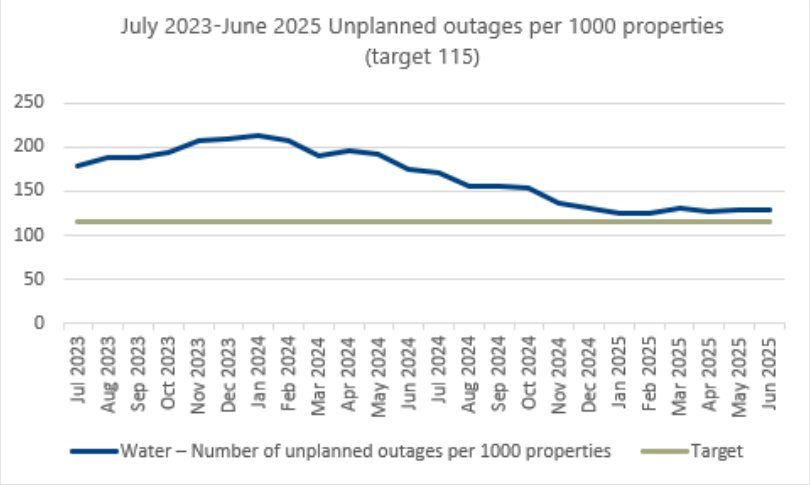


Figure 9: Unplanned water supply outages 2023-25

An associated performance measure is the average duration of unplanned water interruptions (minutes). Performance monitoring data collated for Local Water Utilities (LWU) reports that the average for medium, large and major utilities in 2023-24 was 146 minutes. Council is above the average with an annualised average duration of unplanned water interruption of 178 minutes.

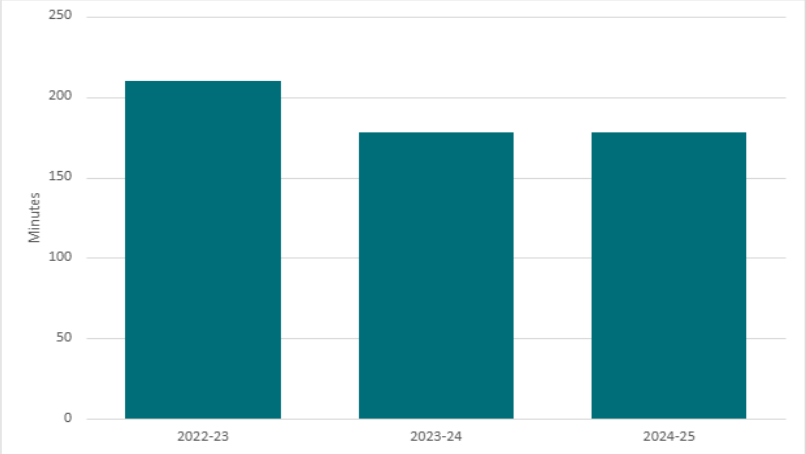


Figure 10: Average duration of unplanned water interruptions 2023-2025FY

4.3.1 Operational

Operational maintenance is related to reactive maintenance (emergency repairs identified by community or SCADA[5] alarms), preventative maintenance (programmed inspection and maintenance activities) or interruptions that can be associated with the need to isolate a main due to a capital works project. During the current determination period, Council has implemented the following:

- Analyse service failure patterns to inform preventative maintenance schedules.
- Increase in hydrant[6], valve[7] and tapping band[8] maintenance to both detect and fix leakages.
- Trialling the use of S-Gate valves has been completed (refer figure 11). This new technology reduces the radius of properties impacted when a main needs to be isolated. In addition, it has the capacity of reducing water lost by 50,000 litres per job. It also allows installation without having to isolate the water main.

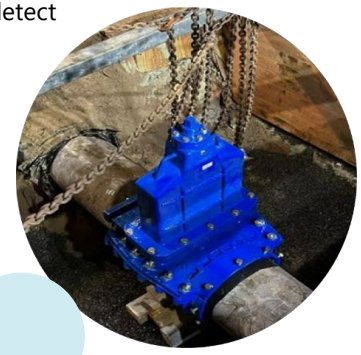


Figure 11: S-Gate valve being installed

[5] SCADA – Supervisory Control and Data Acquisition. It is system that monitors water systems, providing real time data and remote capabilities.

[6] A hydrant is attached to a water main and mainly used accessing water predominantly used for firefighting. It can also be used to place water into the main to clean the pipe and water post a main break.

[7] A valve is used to isolate water if a main needs to be replaced or fixed.

[8] A tapping band allows the connection of service lines to the mains.

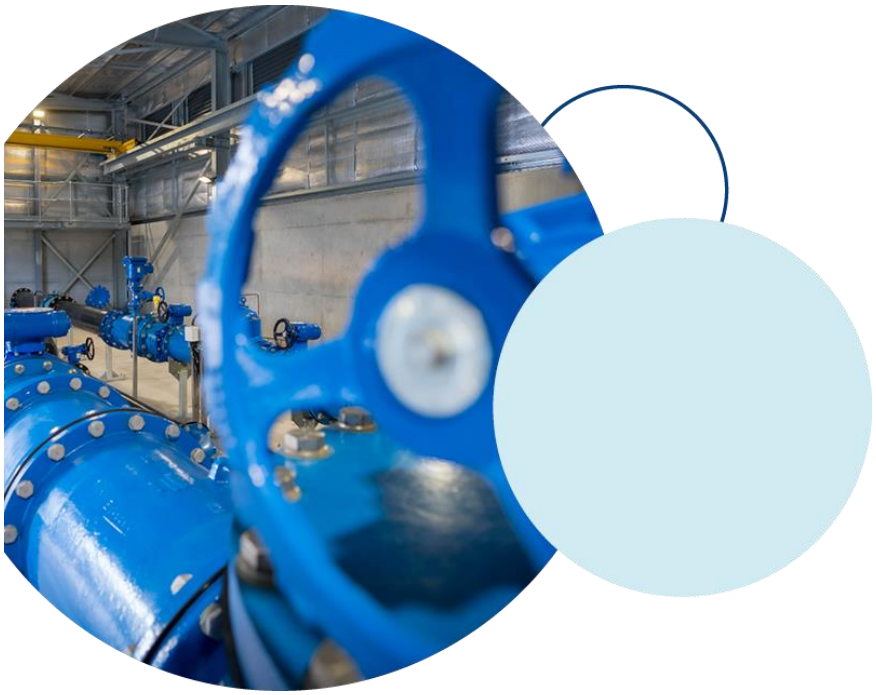
4.3.2 Capital Works Program

Renewal of water mains are subject to assessment based on:

- Age of the asset
- Risk of failure
- Number of times main has failed within a 12-month period
- Consequence of failure – includes impact of failure on the environment and property damage
- Minimising disruptions assists in the improvement of water quality and reliability.

A snapshot of the capital expenditure to address unplanned outages includes:

- Water Trunk Main Installation – Mardi to Warnervale
- Water Pumping Station Kiosk Replacement – Brooke Avenue, Killarney Vale
- Water Infrastructure Reinforcements – Gosford Central Business District
- Water Pump Station Refurbishment – Central Coast Highway, Forresters Beach
- Water Valve Renewals – region-wide
- Water Pump Station Upgrade – Wards Hill Road, Killcare Heights
- Water Reservoir Minor Asset Renewal Program – region-wide
- Water Treatment Plant Trunk Mains to Clear Water Tank Upgrades – Mardi.



4.4 Reliable service – leak detection (water losses)

Leaking water mains continue to be monitored and assessed regularly as it forms part of the Central Coast Council Water Conservation Strategy. Council uses information provided by Water Services Association of Australia (WSAA) to estimate how much water is lost each year. This is done by comparing the total volume of water extracted from various sources against the total volume of water supplied to the customers.

A new leak detection contract commenced in July 2024 and to date has scanned 1,614 km of water mains, detecting 391 leaks in the system which is estimated to reduce water loss by 623 ML/year. The aim of the program is to find leaks using an acoustic scanning technology. Annually, Council intends to scan 2,000-2,200 km of water mains. The locations selected for investigation are based on historical and ongoing leakage data. Please refer to Figure 13.

Pressure management is also a fundamental strategy to leakage control. It is a proactive operational strategy that involves optimisation of network pressure to reduce excessive or fluctuating pressure. This is typically achieved using pressure reducing valves (PRVs) at strategic locations. Pressure management has following advantages:

- Extend asset life by reducing stress on pipes, joints, valves, and fittings. This contributes to longer lifespan of infrastructure and reduces long-term maintenance cost.
- Conserve water by reducing real water losses ensuring sustainable and efficient water supply operations.



Figure 12: Water main scanning for leaks

Leak detection dogs aren't a regular water leak detection method, however, Council recently used the services of leak detection dogs from Sydney Water. Leak detection dogs are a proven technique for proactively detecting water and sewer leaks that have not yet permeated to the surface. Council use them on an ad hoc basis, mainly identifying leaks in sewer rising mains.

https://www.centralcoast.nsw.gov.au/council/council-news/detection-dogs-helping-save-water-sniffing-out-leaks-across-coast



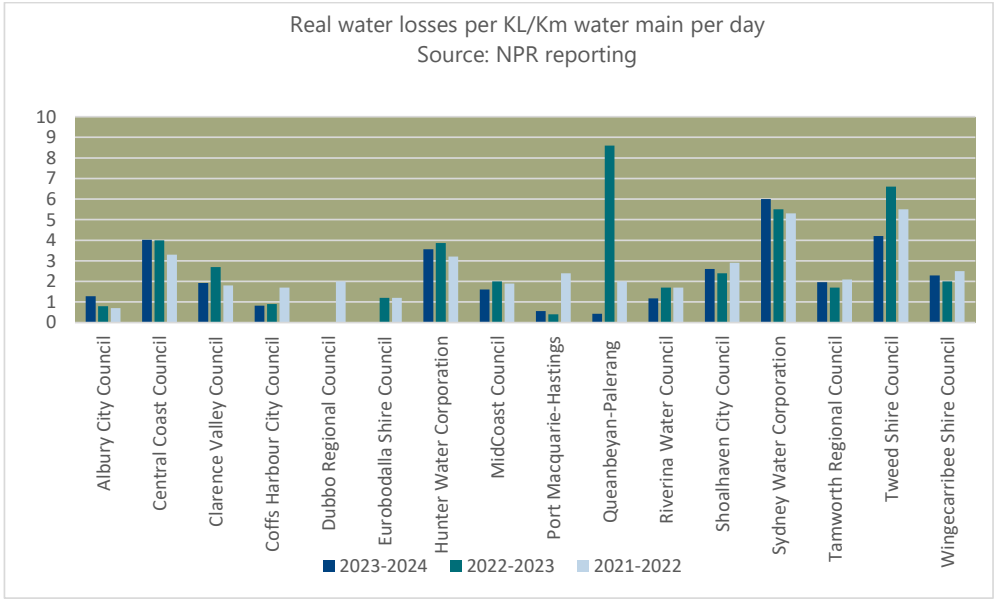


Figure 13: Water losses per kL/km water main per day

4.5 Reliable service – water main breaks per 100 km main

Water main breaks can occur in Council's drinking water reticulation network due to the age of the pipe, ground movement due to seasonal variances (for e.g., heavy rainfall, cold weather soil constriction) or often damage caused by third parties.

Council continues to improve the number of water main breaks per 100 km of main reducing the occurances from 18/100 km of main in April 2024 to 14.76/100 km of main in March 2025. The average for medium, large and major utilities is 10 (NPR 2023-24). Please refer to Figure 14.

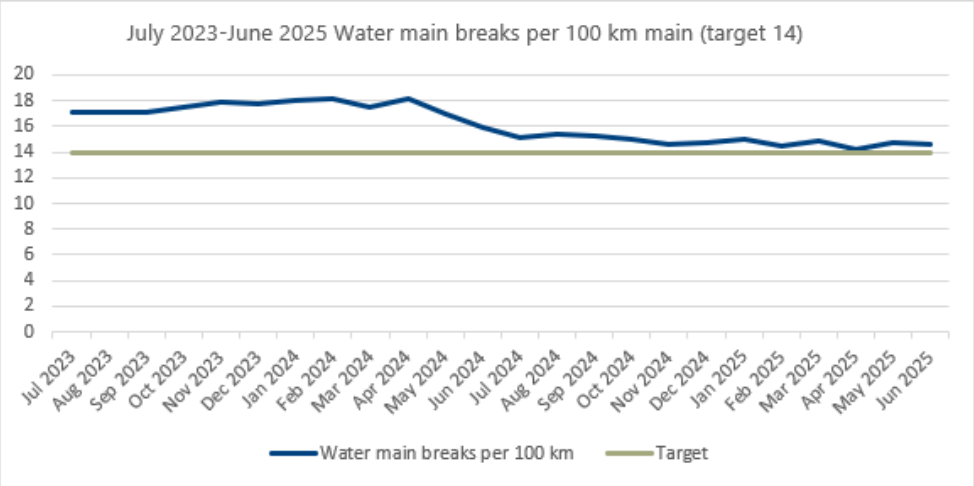


Figure 14: Water main breaks per 100 km main

4.5.1 Operational

Council continues to be innovative with improving performance. The following activities are included in operational maintenance:

- Introducing a pressure main criticality assessment to guide the renewal of priority mains
- Reviewing maintenance decisions to understand planned versus unplanned hydrant maintenance and isolation points for unplanned water service repairs
- Reviewing tapping band/main tap[9] and service failure locations and host pipe materials to understand overlap with renewal program
- Continue with leak detection scanning (as above)
- Using geospatial technology to map incidents and produce 'heat maps' to identify priority locations for mains monitoring.

[9] Tapping band/main tap - a pipe fitting used to create a branch connection onto an existing pipe without cutting into it entirely. It allows for the connection of a new pipeline or fitting (like a valve or sprinkler) to an existing pressurized pipeline.

4.5.2 Capital Works Program

Council continues to progress the water main renewal program to improve asset performance and build resilient infrastructure:

- Water Main Renewal Program – region-wide
- Water Trunk Main Renewal – Avoca Lagoon
- Water Main and Culvert Replacement – Day Street, Wyoming
- Water Main Critical Extensions and Renewal Program – region-wide
- Water Main Relocation Program – Infrastructure Upgrades – region-wide.

4.6 Reliable service – sewer chokes and breaks per 100 km main

In terms of protecting the environment and public health associated with sewage collection, transport, treatment and disposal, Council is obliged to comply with both the EPA and the Central Coast community.

Council operates its sewerage network in accordance with the conditions of relevant EPLs, including restrictions on the discharge of untreated or partially treated sewage from the reticulation system.

The cause of sewer main breaks or blockages leading to overflows can commonly be attributed to a range of reasons, including:

- Shifting soil
- Growth of tree roots (especially in dry weather where trees seek moisture)
- Blockages due to fats and foreign materials
- Use of heavy equipment above ground
- Corrosion of metallic pipes
- Third party damage.

The average chokes and sewer main breaks for medium, large, and major is 33, with Council trending at 38 (refer Figure 15).

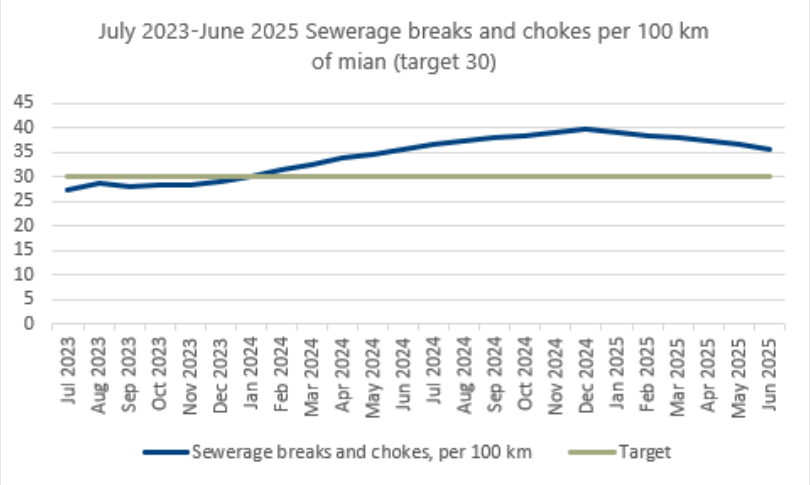


Figure 15: Sewer main breaks and chokes per 100 km main

Sewer system overflows may occur occasionally, even in well-designed systems that collect and transfer sewage. Sewage overflows have the potential to cause significant environmental harm, public health risk and a lack of confidence in Council's ability to serve and meet public expectations (refer Figure 16).

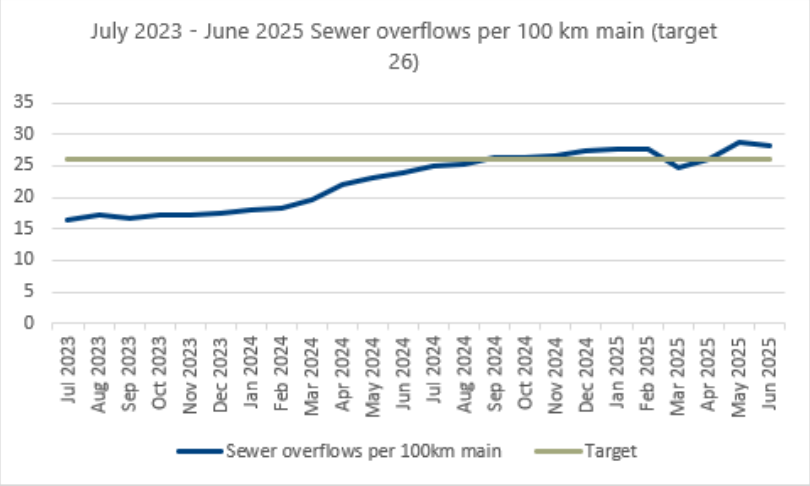


Figure 16: Sewer overflows per 100 km main

Pollution incidents must be reported to the EPA and other relevant authorities (including Fire and Rescue NSW, NSW Health, SafeWork NSW and NSW Food Authority) where there is actual or potential material harm to the environment or public health and safety, or if the pollution incident results in actual or potential loss or property damage of aggregate cost exceeding $10,000 (refer Figure 17).

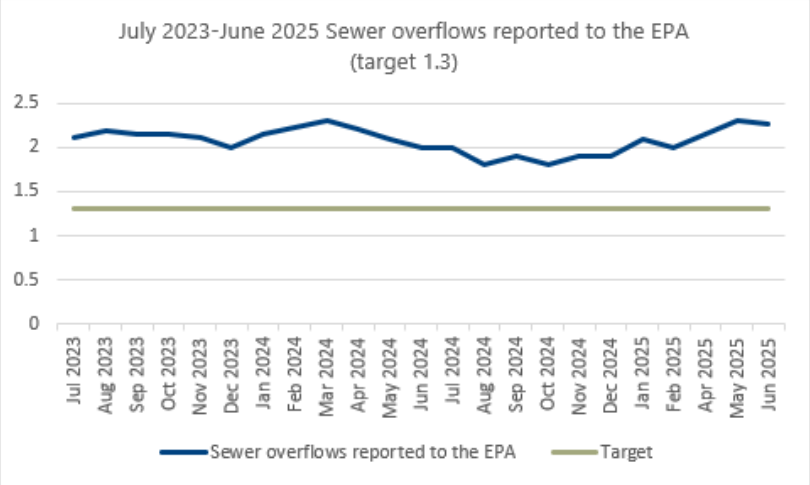


Figure 17: Sewer overflows reported to EPA

The trend for sewer breaks and chokes is improving, with a combination of community education and preventative maintenance strategies. The education is having positive results (refer to Table 5).





Photo: 357_358_2292_A.JPG
8.2m, Defective junction, roots are growing into and/or down the connecting conduit, magnitude of obstruction 5-20% , at 9 o'clock

A "fat berg" at a sewerage manhole

4.6.1 Operational

- Review packages of maintenance chamber renewals to address this specific failure mode.
- New trenchless sewer rehabilitation contract has been awarded.
- Operations award of new reveal and seal contract[10]
- Improvement in data and fault reporting to improve decision making.
- Using CCTV process to better understand maintenance chamber issues and where planned activities should be targeted.
- Isolation for power generation at Sewerage Pump Stations (SPS) that are critical infrastructure and located within State Environmental Planning Policy (SEPP) environmental sensitive areas.
- Vacuum Sewer System Refurbishments at Davistown, St Hubert's Island, West Gosford and Tacoma have included approx. 950 vacuum pots. This is to address wet weather issues.
- Critical vacuum main repairs – several repairs have been completed at St Hubert's Island and Tacoma because of vacuum main leaks identified from the vacuum sewer refurbishment. These leaks introduce air back into the vacuum system requiring the vacuum pumps to operate for longer periods of time to maintain the same pressure. Analysis of one repair in the WS30 (Tacoma) system showed the average run time for two pumps dropped from 15hrs/day to 1.65hrs/day, an 89% reduction in running time and subsequent energy consumption and costs.
- Introduction of period contract for pressure sewer main condition assessments. The contract includes the use of the Pipeline Condition Assessment technology (p-CAT) screening technique to better target more invasive testing methods on compromised sections of pipelines. This allows council to target its mains renewal programs at the right assets at the right time. Please refer to Figure 18.
- Developing a Dry Weather Surcharge Management Strategy.

https://www.centralcoast.nsw.gov.au/council/media-release/new-pipeline-technology-set-improve-water-and-sewer-planning-service

[10] Reveal and seal is where the sewer main is exposed and repaired with a sealant. It can be both a permanent and temporary fix.



The 'p-CAT' condition assessment precision can save on repair costs by prioritising pipe renewals, and repairing and replacing the right pipes at the right time.

Figure 18: p-Cat categorisation of pipe prioritisation

The Dunny Do's and Dunny Don'ts community education program regarding what you can and can't put down the toilet and waste drains in the home. Please refer to Figure 19.



Figure 19: Dunny Do's and Dunny Don'ts campaign

This education program is having positive results on sewer overflow and blockages over the last twelve months, reducing blockages and overflows (caused by fat) from 32 down to 18 and caused by foreign objects from 36 down to 25.

Sewer main breaks and chokes are based per 100 km of main. In June 2024, the number of main breaks and chokes per 100 km of main was 3.66, this has reduced and in May 2025 this has reduced to 2.7 per 100 km main.

Table 5: Blockages caused by fat and foreign objects

Month	Caused by fat	Caused by foreign objects
May 2024	2	5
June 2024	9	4
July 2024	5	8
August 2024	6	5
September 2024	7	9
October 2024	2	5
November 2024	1	6
December 2024	4	6
January 2025	3	3
February 2025	1	2
March 2025	6	5
April 2025	3	3

4.6.2 Capital Works Program

Over the current determination period, Council is investing in pump station renewals, vacuum system upgrades and renewal programs, including the following:

- Sewer Pump Station Renewal – McDonagh Rd Tacoma (WS29)
- Sewer Pump Station Renewal – Crystal St Forresters Beach (FB1)
- Sewer Rising Main Replacement – Mannering Park (MP08)
- Sewer Network and Automation Replacements – region-wide
- Sewer Reactive and Program Planning – region-wide
- Sewer Pump Station Civil Remediation – Daley Ave Daleys point (DP3)
- Sewer Main Rehabilitation Program – region-wide
- Sewer Pump Station Renewal – McDonagh Rd Tacoma (WS29)
- Sewer Pump Station Renewal – Crystal St Forresters Beach (FB1)
- Sewer Rising Main Replacement – Mannering Park (MP08)
- Sewer Network and Automation Replacements – region-wide
- Sewer Reactive and Program Planning – region-wide
- Sewer Pump Station Civil Remediation – Daley Ave Daleys point (DP3)
- Sewer Main Rehabilitation Program – region-wide
- Sewer Pump Station Minor Asset Renewal Program – region-wide
- Sewer Pump Station Electrical Switchboard Replacement Program – region-wide
- Sewer Rising Main Replacement – Koolewong Road Gwandalan (GW02)
- Sewer Pump Station Renewal – Government Road Summerland Point (GW05)
- Sewer Pump Station Renewal – Lagoon Street Ettalong Beach (E01)
- Sewer Pump Station Renewal – Bayside Dr Green Point (GP03)
- Sewer Pump Station Renewal – Mulhall St Wagstaffe (HB04)
- Sewer Pump Station Renewal – Brisbane Water Dr Koolewong (WG08)

- Sewer Pump Station Access Upgrades – Hawke St Kincumber (K05)
- Sewer Maintenance Services Minor Asset Renewals
- Sewer Pump Station Renewal – Marks Road Gorokan (TO12)
- Sewer Pump Station Renewal – Station Street Woy Woy (WW04)
- Sewer Pump Station Renewal – Cedar Crescent Blackwall (WW14B)
- Sewer Pump Station Renewal – Woy Woy Road Woy Woy (WW13C)
- Sewer Vac System Refurbishment – Tacoma
- Sewer Vac System Refurbishment – Davistown Phase Two
- Sewer Rising Main Renewal – Mona Road Charmhaven (CH06)
- Sewer Southern Network Upgrade – region-wide
- Sewer Telemetry Network Renewal – Kingfisher RTU – region-wide
- Sewer Rising Main Partial Replacement – Virginia Rd Warnervale (CH13)
- Sewer Rising Main Partial Replacement – Wilfred Barrett Dr Magenta (TO36)
- Sewer Rising Main Partial Replacement – Gosford Racecourse to Perina Rd West Gosford (WGMJR)
- Sewer Rising Main Killcare Carrier Partial Replacement – Bensville (B01).

4.7 Quality treatment sewer

Council processes 87 million litres of sewage daily at eight treatment plants across the Central Coast, with each servicing its own local area. They are located at Toukley, Wyong South, Bateau Bay, Gwandalan, Charmhaven, Mannering Park, Kincumber, and Woy Woy.

Most sewage undergoes secondary treatment and is discharged into the ocean at Winney Bay in the south or Norah Head or Wonga Point ocean outfalls in the north.

The Environment Protection Authority is the regulator responsible for issuing and managing Council's Environment Protection Licences (EPLs) at these outfalls. These licences regulate the activities with environmental impacts, setting conditions for pollution control and monitoring.

Please refer to the link below for more information:

https://lovewater.centralcoast.nsw.gov.au/council/our-water/our-sewerage-system



Figure 20: Aerial photo of Bateau Bay STP

4.7.1 Operational

Council has been improving its operational treatment processes by the addressing the following issues:

- Enhancement of the rag and debris removal process (fixed the carpet rolling) at the screens at Kincumber STP. This has been achieved by inflows from Kincumber SPS, refurbishing the screens, and implementing a new control program.
- Replacement of air diffusers at Bateau Bay STP in Reactor 1. This has increased efficiency from new air diffusers and reduced aeration hours from 22.5 hours per day down to approximately 16 hours. BOD and Total Nitrogen at the ocean outfall have both reduced since the diffuser replacement, improving the performance of the STP, and reducing impact to the environment.
- Improvement in septicity management[11] in the Toukley STP catchment areas in addition to refurbishment of the odour control bed at the inlet works. Numerous odour complaints were being received in the locality of the STP due to offensive odours reaching neighbouring properties. A combination of solutions was implemented in the network based on odour monitoring results (running a small amount of recycled water into one SPS to reduce overnight septicity and recommissioning an air compressor to maintain oxidation in another pump station). The odour bed at the inlet works was also refurbished. The combination of these efforts has stopped all complaints for Toukley STP that are attributed to these causes and has greatly improved quality of life for our neighbouring community. The improvement has reduced the odour complaints from five in 2022-23 to zero in 2024-25.

4.7.2 Capital Works Program

- Sewage Treatment Plant Process Improvements – Bateau Bay
- Sewage Treatment Plant Sludge Mechanical Dewatering Renewal – Kincumber
- Sewage Treatment Plant Upgrades – Wyong South
- Sewer Pump Station Chemical Dosing – Bateau Bay
- Sewage Treatment Plant Sludge Lagoon Refurbishment – Toukley
- Sewage Treatment Plant Operational Improvements – Kincumber
- Sewage Treatment Plant Aerator Replacement – Woy Woy.

[11] Septicity management is addressing the build-up of organic matter when it decomposes producing foul odours in the absence of free oxygen.

4.8 Environmental planning

Council's obligation for environmental planning is governed by legislative requirements. It is predominantly linked to air (odour), sea (outfalls), people (delivered services), land (protecting our environment) and water (water quality, safe swimming beaches, estuaries, and lakes).

The following are current environmental regulatory standards that are non-negotiable:

- Australian Drinking Water Guidelines (ADWG) – meeting guidelines – NSW Health
- Environment Protection Authority (EPA) – Environment Protection Licences (EPLs) (load and volume) linked to the three effluent ocean outfalls
- Annual EPA returns (non-compliances) identified failures
- EPLs – Pollution Reduction Programs (PRPs) – reviews licence and propose solutions in EPLs
- Quality Management System – A risk-based management system reflecting the principles and practices of water management. It incorporates the environmental management system
- Environmental Management System (EMS)
- Bureau Of Meteorology (BOM) greenhouse emissions
- Dam Safety in accordance with requirements of Dam Safety NSW
- Natural Resource Access Regulator (NRAR) as an independent water regulator which oversees the enforcement of water management laws in NSW.



4.8.1 Pollution reduction programs

Pollution reduction programs are actions that relate directly the EPLs, that address a specific environmental issue, or a non-compliance recorded against the licence. Please refer to Table 6.

Council's licence conditions can be located on its website.

https://www.centralcoast.nsw.gov.au/environment/environmental-programs/environmental-management

Table 6: Pollution reduction programs

Action	Status
Review of Treated Effluent Quality Data and Propose Appropriate Limits	In Progress
Investigation into Inundation of Sewage Infrastructure in Wyong South STP Reticulation System	In Progress
Overflow Relief Cap (ORC) product research and trail if deemed appropriate	In Progress
Manhole lid waterproof sealing	In Progress
SPS inspection program	Complete
Investigative program in WS13 and WS38	In Progress
Gravity main relining program	In Progress
Wyong South STP Wet Weather Pond Works Schedule	Complete
Wyong South and Charmhaven Effluent Ponds Transfer Pump Upgrades	In Progress
Charmhaven STP Upgrade Project	In Progress
Norah Head Ocean Outfall Monitoring Program	In Progress
Investigations into the Optimisation and Future Unit Operations at the Toukley STP	In Progress
Provide a report detailing progress of works to optimise Toukley STP	In Progress
Provide a report on actions taken in relation to the investigation of upgrading Toukley STP, taking into consideration the current design of the STP and effluent quality needs of the receiving environment	In Progress
Investigation into Inundation of Sewage Infrastructure in Charmhaven STP Reticulation System	Not Started
Wyong South STP Wet Weather Pond Remediation	In Progress
Full scope of works to safely maximise storage capacity (including removal of accumulated sludge) and safely deal with high volume inflows and outflows at WSWWSP	Not Started
Charmhaven STP Wet Weather Pond Remediation	In Progress

Action	Status
Full scope of works to maximise the storage capacity at CWWSP (including the removal of accumulated sludge) with evidence that the Licensee can feasibly complete the works by completion date	In Progress
The licensee must provide an updated plan of the sewage treatment plant premises	Complete
Ecological and Human Health Investigations into Impacts of Winney Bay Ocean Outfall	In Progress
Investigations and Upgrades to the Sewerage Reticulation within the Terrigal Lagoon Catchment	Complete
Wonga Point Ocean Outfall Monitoring Program	In Progress
Implementation of Improved Odour Controls	Complete
Upgrade the existing Odour Control Facility at Bateau Bay STP	Complete
Replacement of activated carbon media in the sedimentation tank odour control unit	Complete
Implement the optimisation exercise using odour data loggers at the inlet works to monitor chemical dosing effectiveness in managing odour	Complete
Investigation into a deodorisation system	Complete

4.8.2 Environmental practices

Council undertakes a range of environmental practices to ensure compliance with legislation, improve the natural environment and minimise harm caused by its activities:

- Manage an EMS to remain compliant with ISO 14001
- All infrastructure activities are assessed under a Review of Environmental Factors in accordance with the *Environmental Planning and Assessment Act 1979* (EP&A Act). This assessment includes impacts to flora, fauna, biodiversity, water, soil, heritage, community and social.
- Bushfire risk management for all critical assets and the drinking water catchments
- Implementation of vegetation offsets where applicable for vegetation clearing
- Impacts are assessed and mitigated to protect waterways, biodiversity, threatened species and heritage, e.g fish weir to enable fish migration whilst supporting infrastructure development (Figure 21)
- Routine water quality monitoring is undertaken to understand background environmental conditions
- Disturbance to ground or trees requires an assessment of potential impacts to Aboriginal heritage utilising a Due Diligence Assessment
- Weed management in drinking water catchments
- Biodiversity monitoring and recording through drinking water catchments
- Climate change risk and adaption – long term plans to include infrastructure resilience, reduction of emissions and renewable energy.

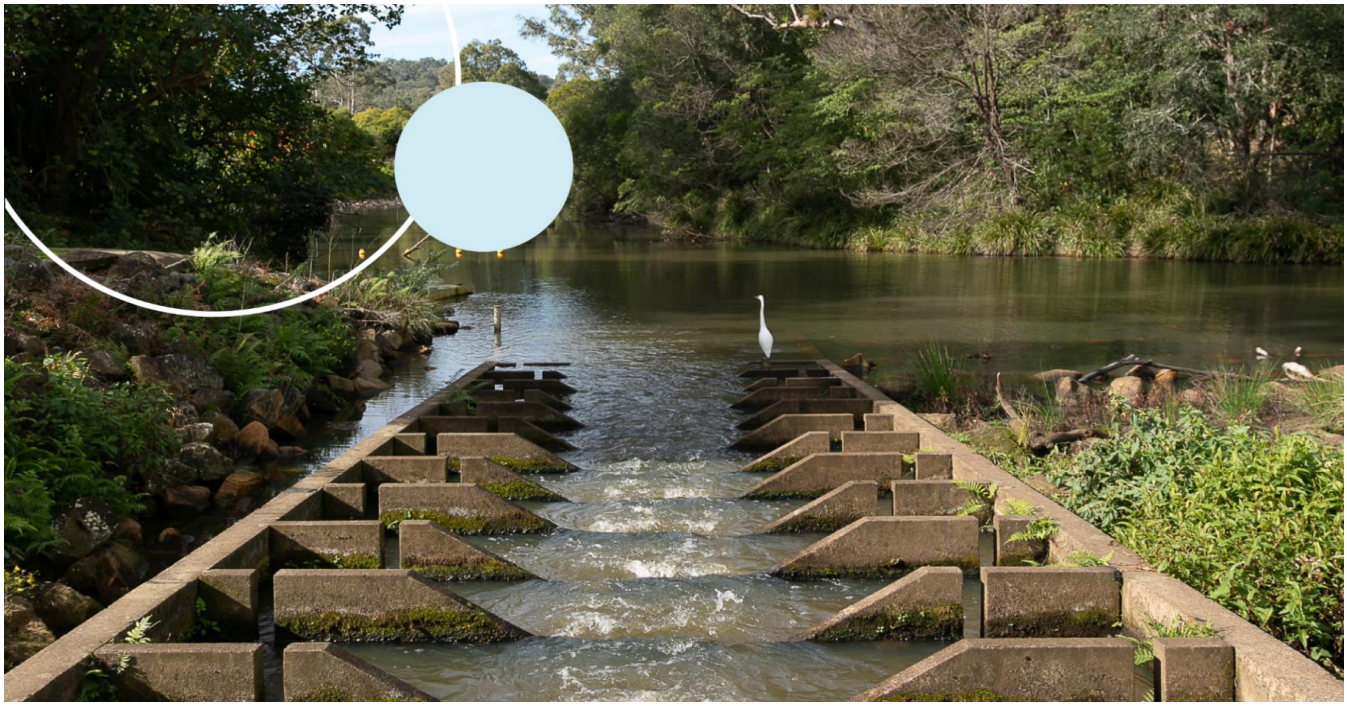


Figure 21: Fish weir on Wyong River

4.9 Effective planning

Effective planning applies to both water and sewer infrastructure, ensuring that strategies are in place for asset capability, water supply, sewerage treatment and ability to deliver required services, taking into consideration increases in population, properties, and business development. It also includes the delivery of key capital investment for upgrades or replacement of assets.
Effective planning needs sound strategies to ensure the following:

- Water security – supply for now and into the future
- Water quality
- The environment, including climate change
- Sewage treatment – ensuring that the treatment plants have the capacity to treat the increase in volumes
- Assets and infrastructure
- Financial sustainability.

4.9.1 Central Coast Council Water Security Plan – 2023

The adoption of an effective plan is essential for the Central Coast to ensure the region's water supply needs are met over the short, medium and long terms for both normal and drought conditions. The plan must reflect community values, be cost effective and sustainable for the future. The plan must review and build in previous plans such as WaterPlan 2050 that was developed during the millennium drought. The new plan – The Central Coast Water Security Plan – has reviewed and updated the region's supply and demand balance and developed a portfolio of actions based on new technologies, climate trends and community values. The millennium drought (2001-2009) changed the Central Coast as a community in valuing our water supply. The incredible fact is that in 2021 less water was being used across the Central Coast than in 2000, whilst providing water to over 45,000 more residents. This demonstrates the changing attitudes of the community towards water use and conservation.

https://cdn.centralcoast.nsw.gov.au/sites/default/files/2023-12/Central-Coast-Water-Security-Plan_June-2023.pdf

4.9.2 Water Conservation

The Central Coast Water Security Plan (CCWSP) guides Council's focus and commitment to a safe and secure water future on the Central Coast. An "All options on the table" approach was taken to develop the plan, which consists of three pillars:

- Pillar 1 – Water Conservation
- Pillar 2 – Maximise use of existing water resources
- Pillar 3 – Develop new climate independent water sources.

Water conservation is a critical component of effective and environmentally sustainable management of urban water supplies. The Central Coast community strongly supported water conservation as a demand side measure to meet future water needs of growing Central Coast region. During the development of the CCWSP, Council sought the community's views on the proposed demand and supply side options. The community valued reliability, affordability and minimising environmental impact most. Based on these values, the community placed water conservation as equal first ranked option with 92% of the group expressing support of Council pursing this. In response, Council is developing a Water Conservation Strategy to guide the implementation of water conservation initiatives and outcomes on the Central Coast.

The Water Conservation Strategy has been developed around five focus areas which comprise of:

- Water efficiency: residential and non-residential demand management programs
- Active leakage management: Leak detection and pressure management programs
- Water Recycling: Wastewater recycling for non-drinking
- Community awareness: Water and Sewer Community Engagement and Education programs
- Smart Metering programs.

4.9.3 Capital Works Program

Council continues to invest in its capital works in alignment with growth. The following capital works programs are revenue invested in future sustainability:

- Sewer Infrastructure Reinforcements – Gosford CBD
- Sewage Treatment Plant Major Augmentation Works – Charmhaven
- Sewer Pump Station and Rising Main Upgrade – Hamlyn Terrace (CH12-13)
- Sewer Infrastructure – Warnervale Town Centre
- Sewerage System Upgrades – Gosford CBD Racecourse Precinct
- Sewage Treatment Plant Major Upgrade – Gwandalan
- Sewerage Network PLC Replacement – region-wide
- WIKA Capital Expenditure – Sewer
- Water Trunk Main Installation – Mardi to Warnervale
- Water Infrastructure Reinforcements – Gosford CBD
- Water Pump Station Capacity Upgrade – Mooney Mooney Dam Somersby
- Water Infrastructure – Warnervale Town Centre
- Water Treatment Plant Trunk Mains to Clear Water Tank Upgrades – Mardi
- WIKA Capital Expenditure – Water.



Figure 22: Central Coast Water Security Plan

5 Abbreviations

ADWG	Australian Drinking Water Guidelines
BOM	Bureau of Meteorology
CCPs	Critical Control Points
CCWSP	Central Coast Water Security Plan
DPE	Department of Planning and Environment
DWMS	Drinking Water Management System
EMS	Environmental Management System
EPA	Environment Protection Authority
EPL	Environmental Protection Licence
IPART	Independent Pricing and Regulatory Tribunal
LGA	Local Government Area
NPR	National Performance Report
NRAR	National Resource Access Regulator
NWI	National Water Initiative
PRP	Pollution Reduction Programme
STP	Sewage Treatment Plant
WSAA	Water Services Association Australia
WTP	Water Treatment Plant

6 References

National Performance Reports: Water Information 2023-2024

Central Coast Council | Water and Sewer

Technical Paper 2

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September 2025



Technical Paper 3

Form of Regulation

September 2025

Central Coast Council | Water and Sewer

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1 Key points

- Council has applied the principles defined in the Independent Pricing and Regulatory Tribunal's (IPART's) 3Cs framework.
- Council will apply IPART's price capping methodology.
- Council is putting forward a five-year determination period in line with IPART's regulatory framework from 1 July 2026 to 30 June 2031.
- Council agrees to move to a five-year regulatory period and believes this would provide a greater level of certainty regarding:
    - Demand forecasts
    - Enhanced meter analysis
    - Operational forecasts
    - Capital works program.
- Required revenue to support asset performance:
    - Price stability for customers
    - Consideration of customer views.
- Council will not be applying any adjustments due to the Demand Volatility Adjustment Mechanism (DVAM).



2 Form of regulation

This technical paper outlines Central Coast Council's (Council) position on the Independent Pricing and Regulatory Tribunal's (IPART) regulatory framework in relation to how it influences water and sewer services.

The aim is to enable the delivery of safe, efficient and reliable services whilst considering customer views and expectations around service levels, asset performance, environment, effective planning, reliable service, water quality and treatment, climate change impacts and pricing.

The paper further discusses drought response; however, Council does not intend to introduce a cost pass through adjustment to the usage charge if drought conditions are experienced between 2026–31.

Council's Water and Sewer Directorate provides water and sewer services to the Central Coast community. These services are considered natural monopolies[1] and, as such, consumer protection in relation to pricing and delivery of service is regulated by IPART. Regulation helps protect consumers by setting parameters to manage the potential risks of monopoly pricing (such as overcharging or poor service).

IPART's 3Cs regulatory framework of Customers, Costs and Credibility ensures:

1. Costs are robust, show commitment to improve value and demonstrate equity and efficiency.
2. Customer and community views are embedded into Council's pricing proposal. It must make the customer central to its business and reflect customer engagement that promote customer outcomes.
3. Investment in capital works aligns to mandatory standards and is efficient and prudent.
4. A level of operational efficiency is identified by the business (refer Efficiency Strategy for detail).
5. Assurances that what is promised in the submission will be delivered by Council.

[1] A natural monopoly in water occurs when the most cost-effective way to provide water services to a region is through a single entity, rather than multiple competing companies.

The current regulatory method used by IPART is "price capping", which sets a cap on the service and usage charges Council can apply each year of the determination period. The price is determined by the amount of revenue IPART deems necessary for Council to operate an efficient and reliable service for the community. The revenue required is essentially an expenditure review where Council will put forward the expenditure it deems necessary to maintain and renew its assets. This is determined by IPART's Building Block Model (BBM).

Council is putting a case forward for a five-year determination period from 1 July 2026 to 30 June 2031 (current determination period is four years). Council considers that the additional year will enable bill certainty for customers, reduce administrative and regulatory burden, and provide additional revenue stability.



3 Length of determination

For the future determination (2026-2031), IPART's framework asked each water business to submit a proposal every five years that demonstrates it is promoting customer value.

The five-year cycle includes:

- *Early engagement* - engage with IPART to lay the groundwork for better customer outcomes.
- *Customer focused pricing proposal* – empowers customers to set priorities and influence how services are delivered.
- *Business proposal self-assessment* – providing information and evidence to support a customer focused pricing proposal.
- *IPART assessment* – a public review assesses if the proposal promotes customer value.
- *Monitoring ongoing performance* – informing customers annually about performance against outcomes.

The five-year determination will include the period from 1 July 2026 to 30 June 2031.

The pricing proposal will set out Council's community engagement, values and outcomes, capital works expenditure, operational expenditure, revenue, demand forecasts, population growth and pricing. Council believes a five-year determination provides a greater level of certainty regarding:

- Demand forecasts
- Enhanced meter analysis
- Forecast connections
- Operational forecasts
- Capital works program
- Required revenue to improve asset performance
- Price stability for customers
- Consideration of customer views.

3.1 Key risks of a five-year price path

3.1.1 Demand forecasts

Council dedicates considerable effort towards water demand forecasts, with an understanding that there can be variability due to changing weather patterns across years. The demand forecasts are used in Council's long and near-term water planning. Council uses the integrated supply-demand planning model (ISDP 2.0), details of which can be found in Technical Paper 7.

IPART applies a Demand Volatility Adjustment Mechanism (DVAM) in its methodology that puts a cap on any over- or under-recovery of water sales revenue with a +-5% neutral zone during the regulatory period.

3.1.2 Under collection of revenue

There is always a risk to Council's forecast revenue based on IPART's pricing response to Council's submission. If there are unforeseen climate events or regulatory issues and Council has not received the required revenue, then the lower revenue risk is extended for an additional year. This, in turn, can impact asset performance, financial sustainability and ability to meet service levels for the community.

In recognition of recent water quality issues within Terrigal catchments and associated pollution programs in relation to Council's Environmental Protection Licences (EPLs), issued by the NSW Environment Protection Authority (EPA) for the operation of its services, the State Government is driving further investigations into water quality of local waterways.

This is anticipated to be done through inclusion of further Pollution Reduction Programs on Council's EPLs. This would result in regulated investigations and actions.



4 Demand Volatility Adjustment Mechanism (DVAM)

The DVAM is a safeguard used by IPART to address actual water sales that depart from IPART's agreed forecast water sales over the current determination (2022-2026) period. This mechanism is designed to protect the consumer if Council underestimates the demand and over-recovers revenue, or alternatively protect Council if demand is overestimated resulting in an under-recovery of revenue. IPART's final report for Council in the previous determination (2019-2022) and continuing in the current determination (2022-2026) specified a plus or minus 5% neutral zone, where an adjustment can be made to address the over or under recovery of revenue. A material variation is defined as more than 5% (+or -) over the whole determination period:

- IPART will only consider adjusting variation greater than 5% (+ or -)
- IPART will consult as part of the next price review on how the volatility mechanism could be applied if a material variation occurs.

If revenue is set on additional water sales that are not met, then the risk of Council achieving required revenue through usage will be impacted. IPART's current determination (2022-2026) accepted Council's forecast water sales which are shown in Table 1.

Table 1: Forecast and actual sales forecasts for 2022-2026

Category (ML)	IPART decision 2022-23	2023-24	2024-25	2025-26
Stand-alone (houses)	17,602	17,655	17,716	17,781
Multi-premises (apartments)	3,176	3,222	3,270	3,320
Non residential	5,388	5,414	5,440	5,466
Metered exempt	1,160	1,165	1,170	1,175
Total forecasts	27,326	27,456	27,596	27,742
Actual	27,120	27,953	27,687	Not available until FY26

Water sales forecast and actual sales realised figures can be found in Technical Paper 7.

5 Weighted Average Cost of Capital (WACC)

The WACC is the weighted average cost of debt and equity required for a benchmark business to invest in necessary infrastructure. The calculation of the WACC is found using an equal weighting of current (number of years in the determination period) and long-term (10 years) market data to provide a mid-point WACC.

The current WACC components, dated April 2025, are shown in Table 2: WACC componentsTable 2.

The post-tax real WACC is set at 3.3% and has increased from the last determination period (2.8%), driven by a higher nominal risk-free rate.

Table 2: WACC components

Component	Current market data	Mid-point	Long term averages
Nominal risk-free rate	3.3%	3.0%	2.7%
Inflation	2.6%	2.6%	2.6%
Implied debt margin	2.1%	2.2%	2.3%
Market risk premium	6.2%	6.1%	6.0%
Debt funding	60%	60%	60%
Equity funding	40%	40%	40%
Gamma	0.25	0.25	0.25
Corporate tax rate	30%	30%	30%
Equity beta	0.70	0.70	0.70
Post tax real WACC	3.6%	3.3%	3.1%

6 Drought characteristics

6.1 Overview

Central Coast Water Supply System, like any other water supply system, can be impacted by drought. Council has experienced back-to-back to drought impacts during the Millennium drought from 2002 to 2012. More recent drought was experienced from 2017 to 2020 when Central Coast enforced water restrictions as per Council's Drought Management Plan. Council applied Level 1 water restrictions in February 2020 which were lifted in December 2020 when storage levels recovered. The triggers for various levels of restrictions are provided in Table 3Table 3.

Table 3: Water restriction triggers

Restriction level	Initiate Restriction Level when Mangrove falls to	Remove Restriction Level when Mangrove Creek Dam rises to
Level 1	50%	55%
Level 2	40%	42%
Level 3	35%	37%
Level 4	30%	32%
Level 5	25%	27%

Since 2020, Council's storage levels have improved. In fact, Council's main storage, Mangrove Creek Dam which governs the security of the Central Coast Water Supply System, filled and spilled in 2022 for the first time in its history since construction in 1982. This happened on the back of Council's decision to lift the 80% storage cap on filling of Mangrove Creek Dam and back-to-back La-Nina climate conditions post the 2017-20 drought. Current storage level is above 90% as on 1 July 2025 as shown in Figure 1.

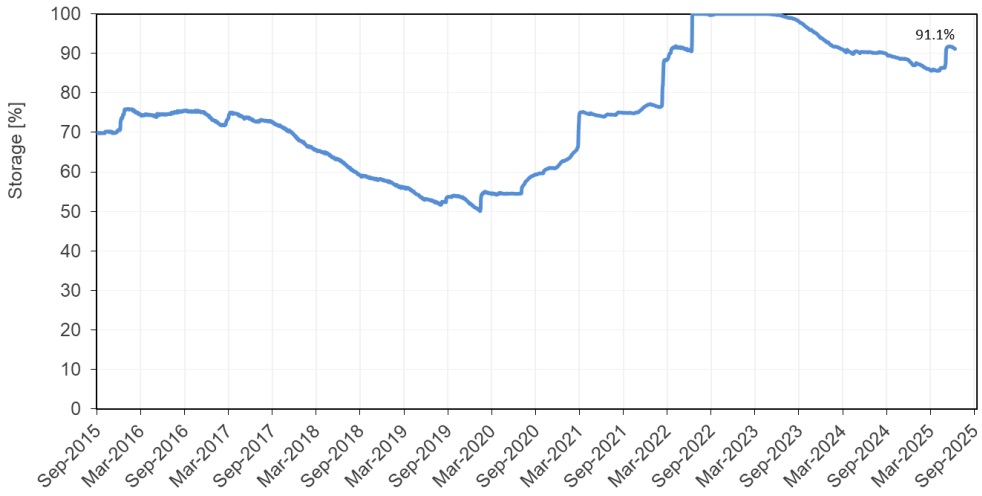


Figure 1: Mangrove Creek Dam storage levels

Historically, it has been observed that Mangrove Creek Dam takes longer to recover but longer to deplete, due to its greater storage per capita, relative to Hunter Water and Sydney Water supply schemes. The current system modelling shows the probability of going on water restrictions in this proposed pricing period (1 July 2026 to 30 June 2031) is very low (less than 2%).

6.2 Actions triggered by drought events

Council's Drought Management Plan guides the region's management of drought risks. The plan follows NSW Local Government emergency management approaches of Prevent / Prepare for / Respond to /and Recover from (PPRR). This approach provides a strategic and systematic drought management process to reduce risk to the Central Coast community by implementing strategies before, during and after drought events.

Council is not proposing a water scarcity price to reflect the increased operational costs of future drought response as part of this pricing proposal.

7 Price

Under the current form of regulation, IPART sets the maximum price structures and levels for monopoly services applied each year of Council's determination:

- IPART's pricing function is to determine the maximum process and monitoring compliance with those prices each year of the determination.
- When fixing a price or setting a methodology, IPART must have regard to the matters to be considered under the IPART Act.
- Section 11 of the *Independent Pricing and Regulatory Tribunal Act 1992* provides the Tribunal to conduct investigations and make reports to the Minister on the determination of pricing. Refer to Figure 2.

Box C.1 Matters to be considered by IPART under the IPART Act

In making determinations and recommendations under this Act, the Tribunal is to have regard to the following matters (in addition to any other matters the Tribunal considers relevant)—

a. the cost of providing the services concerned,
b. the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services,
c. the appropriate rate of return on public sector assets, including appropriate payment of dividends to the Government for the benefit of the people of New South Wales,
d. the effect on general price inflation over the medium term,
e. the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers,
f. the need to maintain ecologically sustainable development (within the meaning of section 6 of the *Protection of the Environment Administration Act 1991*) by appropriate pricing policies that take account of all the feasible options available to protect the environment,
g. the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets,
h. the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body,
i. the need to promote competition in the supply of the services concerned,
j. considerations of demand management (including levels of demand) and least cost planning,
k. the social impact of the determinations and recommendations,
l. standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise).

Figure 2: Source IPART Water regulation Handbook July 2023 – The legislative framework

In addition, under IPART's Principle 6 - *Choice of Services,* there is an opportunity to reflect customer-varied preferences for tariffs for additional services they are willing to pay for.

For this determination period, Council will not be offering varied tariffs, nor entering customer choice pricing proposals for non-residential customers. As the relevant transfer infrastructure has already been constructed, there is no scope for Council to reduce service levels to justify a lower price.

Council's agreement with Hunter Water Corporation (HWC) is described as a 'Negotiated Services Agreement' in the bulk transfers determination. Under that agreement, Council provides bulk water transfers at a rate less than the maximum price set by IPART. Council will continue with that approach into the 2026 determination.

The Determination defines a Negotiated Services Agreement as:

> *Negotiated Services Agreement means a written agreement between Hunter Water and Central Coast Council, a copy of which is provided to IPART jointly by those agencies, under which one or both of those agencies agrees to provide bulk water.*
>
> *Schedule 2: Definitions and Interpretation Bulk water transfers between Hunter Water Corporation and Central Coast Council transfers to the other at prices that are not the maximum prices set out in this determination.*

HWC and Council executed a negotiated services agreement in March 2020, under which both parties agreed a $0.33/kL transfer price with no annual escalation for the remainder of the pipeline agreement. IPART noted in its 2019 determination regarding bulk water transfers between HWC and Council that the setting of the price of the transfers can be subject to a Negotiated Services Agreement and not set by IPART.

Abbreviations

BBM	Building Block Model
CAPEX	Capital Expenditure
DVAM	Demand Volatility Adjustment Mechanism
EPA	Environment Protection Authority
EPL	Environmental Protection Licences
IPART	Independent Pricing and Regulatory Tribunal
ISDP	Integrated Supply-Demand Planning model
OPEX	Operating Expenditure
WACC	Weighted Average Cost of Capital

Central Coast Council | Water and Sewer

Technical Paper 3

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September 2025



Technical Paper 5

Operational Expenditure

September 2025

Central Coast Council | Water and Sewer

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1 Key points

- **Operational efficiency** - Benchmarking provides the ability to compare Council's expenditure with other Australian water utilities. In the current determination, Council used benchmarking to assess the relative operational cost efficiency over the historical period from 2009 to 2024 (compared to other water utilities). Econometric[1] benchmarking of operational expenditure (OPEX) used the Bureau of Meteorology's (BOM's) 2023-24 National Performance Report (NPR) database. This included connection numbers, mains length, volumes, and operational expenditure separately for the water and sewer businesses of water distribution. The results of the benchmarking show that Council has been, on average, efficient over the historical period of 2009-2024.

- **Performance in current determination** – operating expenditure in the current determination started lower than the allowance set by IPART, however over the course of the determination, the estimated variance between the IPART allowance and the actual operating expenditure will be 0.2% under the allowance or $1.1M.

- **Performance against other utilities** – the operating cost per property for water and sewer in 2023-24 was $871. Water was second lowest (between medium, large, and major utilities in NSW) at $395 ($2023-24) and sewer was fourth lowest at $476 ($2023-24). The state-wide average operational expenditure per property for water was $550 and sewer was $552.

- **Proposed operating expenditure** – The total proposed operational expenditure between 2026-2031 is $703.3M ($2025-26). Water is $351.4M and sewer $351.9M. Operating expenditure is increasing over the upcoming determination period mainly due to:
    - **Changing regulations –** increased monitoring, sampling, and disposal costs for both water and sewer. Additional climate change and environmental control requirements, increased dam audits, inspections, and site plan reviews (required by Dam Safety NSW)
    - **Water security –** investing in water conservation through our Central Coast Water Security Plan
    - **New technologies** – introducing new tracking technology to improve regulation and monitoring of the liquid trade waste lifecycle. Investment in a drawing management system (DMS) which will centralise all engineering documents related to Council's water and sewer assets.

[1] a method that uses statistical analysis to compare the performance of different entities (e.g., companies, organizations) against each other, while also accounting for relevant economic and market factors

- **Biosolids management** – increased contractor costs for the dewatering and removal of sludge at the sewage treatment plants (STPs).
- **Effective planning and Strategies** – investment into future strategies in relation to desalination plant, asset resilience, asset condition assessments, reticulation surveys, water distribution network models, Biosolids Strategy, Corrosion and Septicity Strategy and onsite power generation.

- **Base trend step** – Council submits the operating expenditure forecasts using the Independent Pricing and Regulatory Tribunal's (IPART's) Base-Trend-Step (BTS) format for its forecasting of operating expenditure. IPART defines the BTS approach as:
  - The base is the current efficient level of recurrent controllable operating expenditure
  - The trend is any predictable change in the efficient level of recurrent controllable operating expenditure due to output growth, productivity improvements and real input price changes
  - The step is any forward-looking step change in the efficient level of recurrent controllable operating expenditure due to a particular event, such as changes to regulation or the method of delivering a service.
- **Efficiency target** – to minimise bill impacts, Council has set an efficiency target of 0.7% per year. The Cost Efficiency Strategy outlines the plan and Council's accountability to this target to keep the community updated.



2 Operational efficiency

Council's efficiency benchmarking result suggests that Council's operating expenditure for both water and sewer has been efficient (on average) over the historical period between 2009-2024.

Council is expected to demonstrate the efficiency of the baseline operational expenditure using benchmarking analysis and provide justification for any deviations from forecast base-year allowance determined by IPART.

Benchmarking was used by IPART to assess the relative cost efficiency of Council over the historical period from 2009-2024, compared to other water utilities for the required operational expenditure in the current determination.

To perform benchmarking Council used econometric[2] benchmarking using Stochastic Frontier Analysis[1] (SFA) of operating expenditure for water utility using the Bureau of Meteorology's (BOM's) 2023-24 National Performance Report (NPR) database (refer Figure 1). This dataset contains information on water utilities in Australia, including connection numbers, mains length, volumes and operating expenditure for water and sewer businesses of water distribution utilities.

Council conducted benchmarking for water and for sewer separately, comparing the business with other water businesses of a similar size for accuracy, which included a 'Major' only sample and the combined 'large' and 'major' samples of water businesses.

Council's benchmarking involved comparing real operational costs to three key factors driving operating expenditure:

- Water supplied
- Number of connections
- Mains length.



[2] Econometric modelling is an economic tool that uses standard inputs to compare against performance of other Water utilities. It involves mathematical analysis to test different hypotheses to determine comparisons.

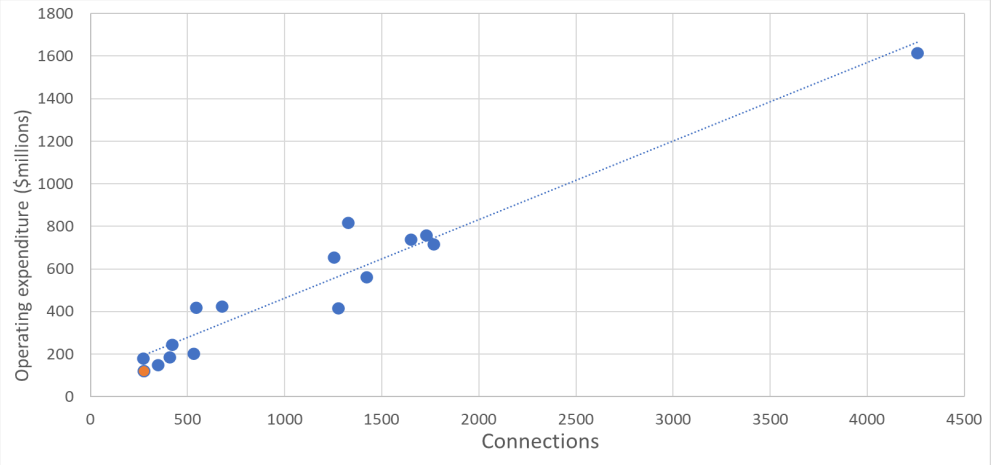


Figure 1: Council analysis based on 2023-24 National Performance Report

From the analysis, Council concluded that the only driver for water and sewer operating expenditure in the model was the number of connections for 'Major only', and 'Large and Major' combined samples. Table 1 below shows the relationship between property connections and operating expenditure.

The resulting estimates of efficiency for Council are provided below. Table 1 also presents the estimates of efficiency if all drivers of operating expenditure are included in the econometric models.

Table 1: Estimated efficiency of Council benchmarking

	Sewer		Water	
Sample	Connections only	All drivers	Connections only	All drivers
Major only	95.0%	93.1%	78.3%	74.1%
Large and Major	90.1%	88.8%	84.8%	78.8%

The efficiency estimates suggest that Council's operating expenditure for both water and sewer has been efficient, on average, over the historical period 2009-2024. Further, the analysis facilitates a comparison of efficiency scores against peers, presented in Table 2. These results further support an argument that Council has incurred efficient operating expenditure over the 2009-2024 period.

Table 2: Estimated efficiency ranks used for benchmarking

Sample	Sewer	Water
Major only	85th percentile	89th percentile
Large & Major	79th percentile	88th percentile

While the evidence of average efficiency suggests that Council has on average incurred efficient operating expenditure over the 2009-2024 period, a key element is the evaluation of the efficiency of the base year operating expenditure to the benchmarked operating expenditure. To perform this evaluation, Council has obtained the benchmarked estimated operating expenditure for water and sewer individually with 75% efficiency in real $2025-26. The estimated operating expenditure for water and sewer was obtained using the average of the large/major and major only estimates to obtain a final point estimate for water and sewer operating expenditure. Due to the statistical uncertainty of the economic model, Council applied an upper and lower bound to the estimated operating expenditure. If Council's actual base operating expenditure falls within the upper and lower bound, it is deemed to be sufficiently efficient. Table 3 below provides the comparison of the estimated operating expenditure to Council's actual base operating expenditure.

Table 3: Comparison of Councils benchmarked estimated operating expenditure to actual base operating expenditure ($2025-26, $M)

$2025-26, $M	Upper bound	Lower bound	Midpoint	Actual base operating expenditure
Water	73.3	54.7	63.3	65.4
Sewer	67.2	59.2	64.4	67.9
Total	140.5	114	127.8	133.2

The comparison of the estimated efficient operating expenditure to the actual base operating expenditure indicates that Council's actual base operating expenditure for water and combined water and sewer falls within the upper and lower bound obtained from benchmarking analysis, suggesting that Council's proposed base operating expenditure is deemed efficient. Sewer is marginally above the upper bound, however, customer prices and impact is ultimately based on the total combined operating expenditure, therefore, the total operating expenditure falling within the benchmarked upper and lower bounds is a key indicator of cost sustainability and efficiency. Thus, it can be concluded that Council's operating expenditure has not only been efficient over the 2009-2024 historical period, but Council's also proposed base operating expenditure is adequately efficient to be used towards the next determination period.

3 Performance against other utilities

Council's water and sewer is classified as a "major" utility where the number of connections is greater than 100,000.

In comparison with other major utilities in Australia, in 2023-24 Council had the second lowest operational costs per property for water (behind Hunter Water). Council's sewer operational costs had the fourth lowest operating costs per property. Council treats all

sewage to a secondary, and in some instances, tertiary level[3], where it is used for recycled water. This additional secondary treatment of sewage increases the operational costs, however, has positive environmental outcomes.

The low operating costs are despite having a relatively long water and sewerage network servicing the population, and due to the geography of the region and the physical barriers created by the lakes, estuaries, and lagoons.

The most recent NPR reporting (2023-24) highlights that Council continues to be a low-cost service provider. Please refer to Figure 2 and Figure 3 below.

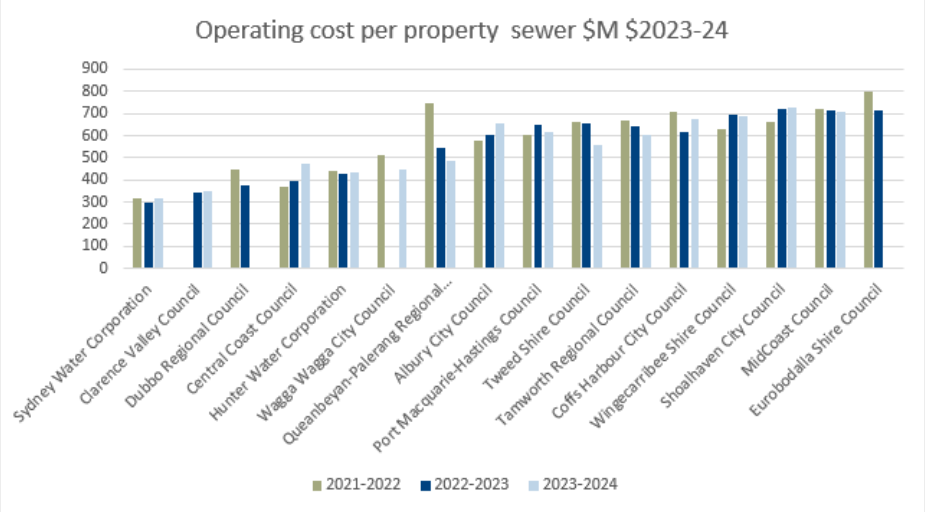


Figure 2: OPEX cost per property 2023-24 sewer – National Performance Reporting (NPR)

- [3] **Primary Treatment:** This initial stage removes large solids, debris, and grit from the wastewater. It often involves screening and sedimentation tanks where solids settle to the bottom, and oils and grease float to the top for removal.
- **Secondary Treatment:** This stage relies on biological processes, typically using bacteria to break down organic matter and reduce pollutants like nitrogen and phosphorus. Various methods, such as activated sludge or biological trickling filters, can be employed.
- **Tertiary Treatment:** This optional, advanced stage further polishes the treated wastewater to improve its quality. It may involve advanced filtration techniques like reverse osmosis or microfiltration, followed by disinfection to remove any remaining pathogens.

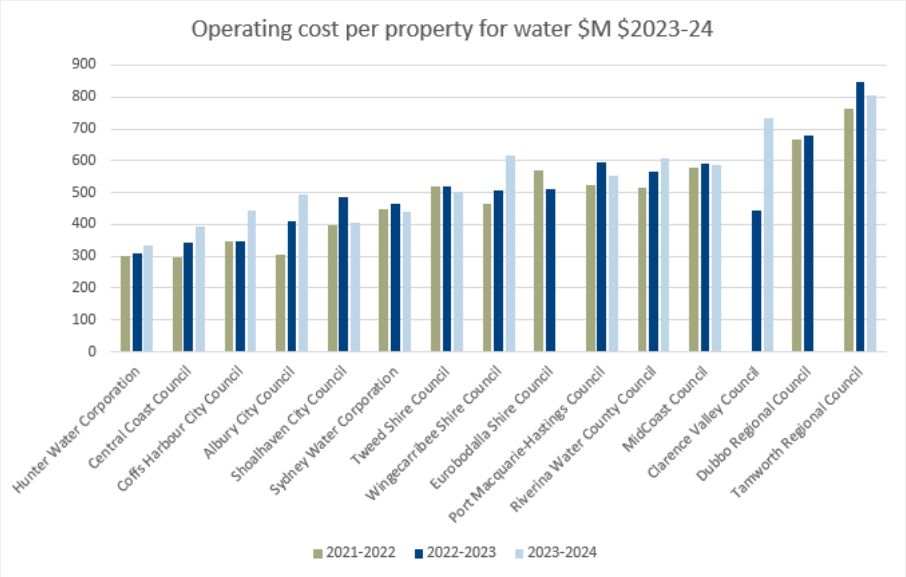


Figure 3: Operating costs per property 2023-24 water source National Performance Reporting (NPR)



4 Implementing the Transition strategy

In the current determination, Council made a commitment to the community to implement a Transition Strategy where the key objectives of this Strategy were to:

- Implement the Asset Management plans to improve planned maintenance activities
- Improve capability with experienced resourcing
- Enhance asset systems, monitoring and reporting for our community.

4.1 Asset Management

Asset management plans have been finalised in addition to the asset maturity assessment and Asset Management Improvement Plan. Preparation of the Water and Sewer Asset Information Strategy commenced in 2023-24 and various improvement plan actions are underway in 2024-25.

4.2 Resourcing

In the 2022 Transition Strategy, Council needed to ramp up its resourcing to deliver the required services to our community. Following on from Council's financial crisis in 2020-21, Water and Sewer reduced its full-time employees (FTEs) from 324 to 261.5. This represented a reduction of 19.3%. It was forecast that by 2026 there would be an increase of 835 dwellings, 3,000 people and additional 53 km of main (totalling approx. 1,990 km water reticulation mains and 2,285 km of sewer gravity mains) to maintain.

Council identified the need to increase its FTEs to 390 to maintain and improve its services.

Council is on track in achieving its target (refer Figure 4). The total workforce per 1,000 properties has increased to 2.34 (2023-24) from 1.89 (2020-2021) refer Appendix B. The slow increase to resourcing has been a major factor for increasing the transition to planned maintenance predominantly in the electrical and mechanical areas.

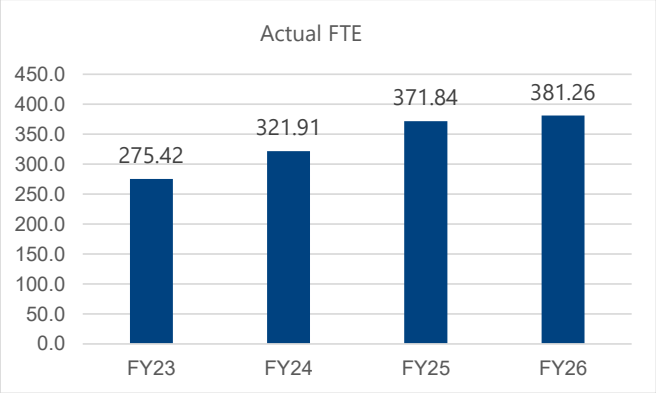


Figure 4: Actuals/budgeted FTEs (includes both capital and operational FTE resource allocation)

In the "Local Water Utility Performance reporting" Council is compared with other major utilities (>10,000 properties) of total workforce per 1,000 properties. The weighted median over the last four years for major water utilities has remained steady between 3.33 to 3.61 per 1,000 properties. Whilst there has been an increase from 1.89 to 2.34, Council is still below the weighted median (refer Appendix B).

4.3 Resource Utilisation

During the current determination period, Council has continued to implement the Transition Strategy with a significant improvement in the balance between reactive and preventative maintenance utilising a planned regime.

The improvement has led to positive impacts to the community in relation to asset performance including a reduction in unplanned water service interruptions (refer Technical Paper 2 for service level performance).

The planned regime embarked upon, involves scheduled maintenance activities designed to prevent equipment failures and extend the lifespan of the assets. This is based on data and insights gathered from inspections and operational tasks.

Analysis was completed to compare reactive to preventative maintenance undertaken by Council using the available work order (WO) data captured between 03/01/2021 and 14/05/2025.

The graph in Figure 5 shows the completed or closed work orders, which shows an increase in planned maintenance work orders recorded between 2023 and 2025 and a relatively stable volume of reactive work orders. This aligns with the commencement of Sewage Pump Station (SPS) and Water Pump Station (WPS) maintenance programs in financial year (FY) 23 and Maintenance Service implementation in FY24. The data used in this graph is for all water and sewer and, of note, the data capture of works completed has been improving over the determination.

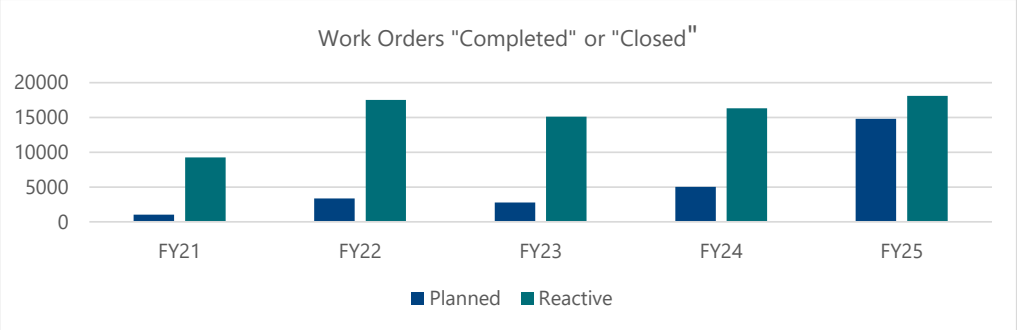


Figure 5: Work orders completed or closed

Figure 6 shows all WOs raised between 03/01/2021 and 14/05/2025 - the difference in data when comparing to Figure 5 is the inclusion of cancelled work orders. This shows that due to the challenging recruitment environment Council has experienced over the past three years, not all proposed works in preventative maintenance were able to be completed. However, as Council continues to evolve new strategies to address this, there is confidence of an upward trend.

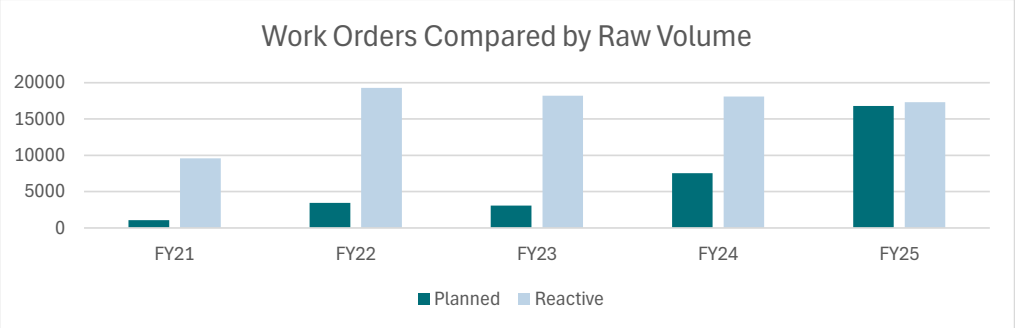


Figure 6: Work orders compared by raw volume

Focusing on the 2025 financial year where the resourcing and data capture is at its most mature, the pie chart in Figure 7 depicts the journey of the planned regime Transition Strategy to improve preventative maintenance. The preventative maintenance has been broken up by activity types to show resource utilisation, the activity types are detailed below.

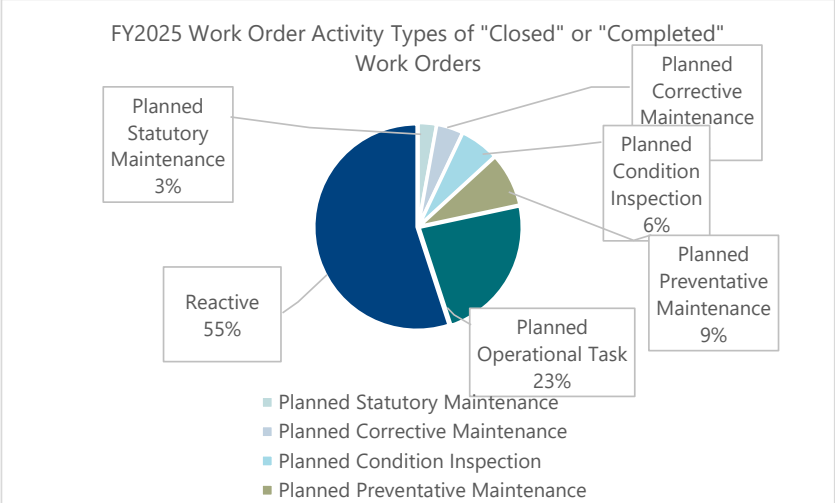
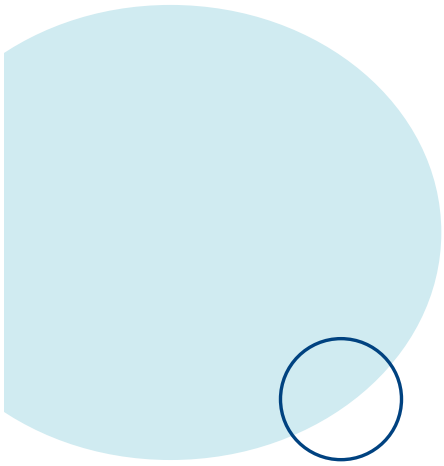


Figure 7: FY25 Work order maintenance activity types



Operational tasks ensure the smooth running of equipment. This includes routine operator checks of assets as well as upkeep such as flushing of water mains.

Inspections are crucial for identifying potential issues before they become major problems. Inspections also allow for the appropriate level of maintenance to be forecast. This involves scheduled checks of equipment and systems to assess their condition and performance.

Statutory Maintenance has been a priority to adhere to legal and regulatory requirements for maintenance. It ensures that operations comply with safety and environmental standards.

Planned Corrective is a result of maintenance completed on an asset of poor condition or failure has been proactively identified through inspections.

Planned Preventative is maintenance on an asset that is still operational but works will improve operation or extend the asset life. The schedule is typically assigned based on initial condition assessment and industry best practise.

By following these activity types, Council is transitioning from a reactive approach to a proactive, planned regime. This structured approach helps in managing resources effectively, addressing skills shortages, and ensuring that maintenance activities are carried out efficiently.

As the strategy is matured, the outcome of inspections completed, and feedback of Planned Operations will lead to a greater need of resources to complete the Planned Preventative that will be forecast. Council will endeavour to utilise resources to alter the balance of these activity types, to have a higher percentage of Planned Preventative.

The ongoing asset management improvement journey that has been assisted with the implementation of Water and Sewer Asset Management Improvement Program (WSAMIP) initiatives. Some of the areas that Council will be focussing on will include network infrastructure civil assets, reveal and seal programs for manholes, preventative risk and performance based relining programs all with a continual improvement focus.

4.4 Efficiencies delivered in current determination period

Over the current determination period Council has focused on improving services to our community as well as ensuring that they are delivered with prudency and efficiency through innovation.

4.4.1 Detailed efficiencies delivered ($2025-26)

Procurement and contract management estimated efficiency $4.79M in reduced administrative and labour costs

The Water and Sewer Directorate has implemented a range of contractor panels to achieve time efficiencies in the tendering, contract approval and award phases, to ensure capital works are delivered using the most efficient strategies available.

There has been an implementation of several long-term contracts for service provisions to deliver capital projects and programs. These contracts negate the need to tender individually for services the business requires on an ongoing basis.

Council has realised the efficiencies of this delivery method through:

- **Cost efficiency** – competitive pricing – being able to redirect evaluation weightings towards price as previous experience and key personnel are known and not assessed.
- **Quality and reduced risk** – International Organisation for Standardisation (ISO) accredited, compliance, financial assessments completed - being able to redirect evaluation weightings towards methodology as previous experience and key personnel are known and not assessed.
- **Strategic relationship** – detailed understanding of contractor capabilities/Council's requirements and quality expectations.

Sewer pump station and treatment plants – standardisation and packaging $0.87M per annum

Over the current determination, Council has begun standardising specifications across Sewer Pump Stations (SPS) this has improved efficiency across various processes reducing variability, reducing completion times and increased productivity. In addition, Council has implemented contract packaging across multiple sites related to both SPS and Sewage Treatment Plants (STPs).

Alarm rationalisation - $0.27M per annum

This project sought to apply a constant methodology of controlling Council's STPs and Water Pump Stations (WPS), control valves and reservoirs to reduce the volume of alarms being generated from a single site and develop and implement a consistent SCADA[4] template across all assets. This included using SCADA to optimise chemical dosing at sewer pumping stations and a chemical dosing unit report that allows for quick and easy access to 35 sites enabling real time monitoring of chemical storage levels.

State Government demand response - $1.03M per annum

A NSW Government initiative where large business with high energy use can provide firming capacity to supply and demand during grid emergencies or periods of high demand. The Firming Capacity program can provide revenue streams to Council thereby reducing energy expenditure. Commercial and Industrial energy users are rewarded for being on standby and for reducing their energy usage, when called upon. It involves switching off or "curtailment" of selected loads at six of Council's sewage treatment plants during periods of high electricity grid demand.

STP improvements - $0.22M

Replacement of diffusers at Bateau Bay STP. Increased efficiency from new diffusers has reduced aeration hours from 22.5 hours per day down to approximately 16 (resulting in power savings). The diffuser replacement has improved the performance of the plant and reducing impact to the environment.

Value Engineering - Mardi Water Treatment Plant $5.44M (not achieved)

In the current determination, Council identified potential efficiencies of $5.44M by bundling other projects that could be completed at the same time to reduce the risks of multiple shutdowns and costs associated with engaging a separate contractor. Whilst the process to execute the strategy was implemented, the cost of delivering the project exceeded the original budget. This was due to the cost inflation between 2022-26 and the impacts on the cost of materials, particularly in the construction industry where there were increases in costs for materials including supply chain interruptions.

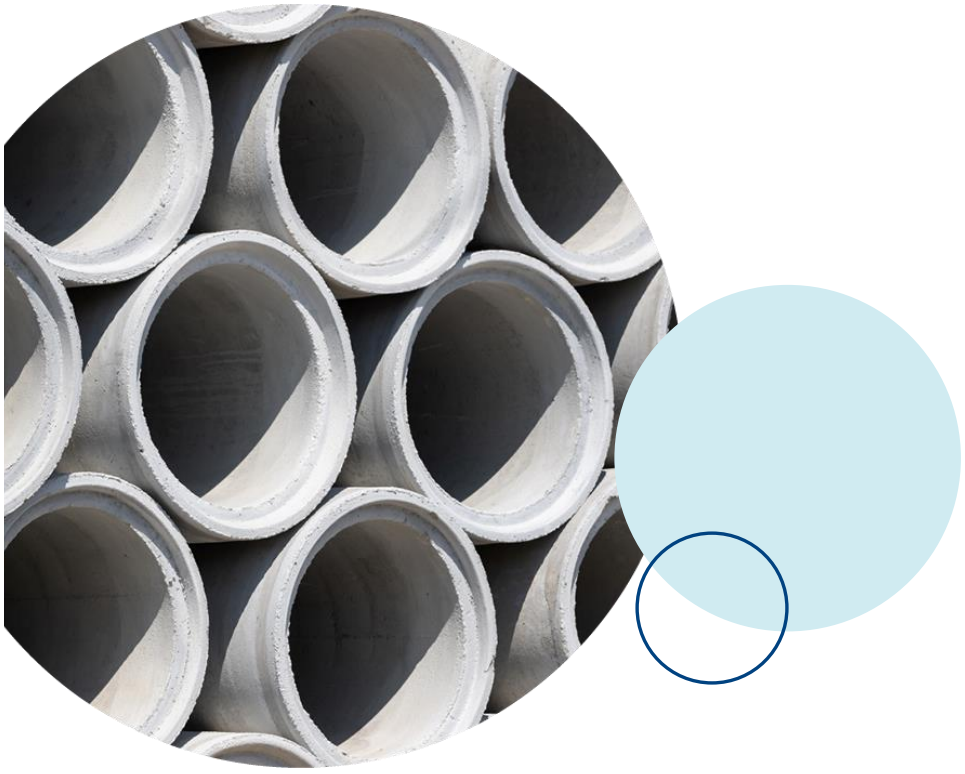
[4] SCADA - Supervisory Control and Data Acquisition. It's a system used to monitor and control water and sewer processes, for infrastructure and equipment. SCADA systems gather data from the field (using devices like sensors and PLCs), analyse it, and present it to operators,

Value engineering – Mains renewal program $0.44M p.a

Council's Water and Sewer Directorate successfully tested new, innovative condition assessment technology for water and sewer pressure pipelines. The technology improves strategic and tactical decision-making for planned renewals and upgrades. In addition, the technology also reduces water outages and decreasing environmental and safety risks during pipeline maintenance and repair works. The new assessment technology offers numerous advantages with a focus on customers, cost efficiency and the environment.

The technology sends pulses between existing surface fittings to detect issues in the pipe walls' integrity, all while the water continues to flow within the pipes to our customers. This improves water and sewer service reliability for our community as it is not necessary to always turn off the mains and disrupt water services during larger pipeline assessments.

This allowed Council to perform the site works related to condition assessment of these critical sewer mains within a couple of days with minimal environmental impacts. No excavation was needed to physically expose the mains for pipeline scanning as we do with older condition assessment techniques.



5 Operating expenditure in the current pricing period

Council's operating performance in the current pricing period for 2022-2026 began with an underspend in 2022-23 against the IPART allowance. This underspend was primarily due to difficulties in ramping up quickly to enable the securing of employees and procurement. The total expenditure across the full determination period is expected to be under the IPART allowance by 0.2%. Sewer is forecast to exceed the IPART allowance, water is forecast to be under the allowance while stormwater drainage trends close to the allowance (Table 4).

Table 4: IPART allowance to Council's actuals (forecasts year 4) ($2025-26) - totals may not add due to rounding

Service $M	Total IPART allowance	Total expenditure (actuals and forecasts)	Variance $ (Over) / under allowance	Variance % (Over) / under
Water	274.2	240.8	33.4	12.2%
Sewer	234.1	266.4	(32.3)	(13.8%)
Stormwater drainage	49.8	49.8	(0.0)	(0.0%)
Total	**558.1**	**556.9**	**1.1**	**0.2%**

Operational expenditure is influenced by the consumer price index (CPI) especially relevant to the materials and contracts costs where increases experienced by suppliers and contractors are passed through to Council. Over the current determination CPI fluctuated and rose with a high of 6% in 2022-23. (Refer Figure 8)

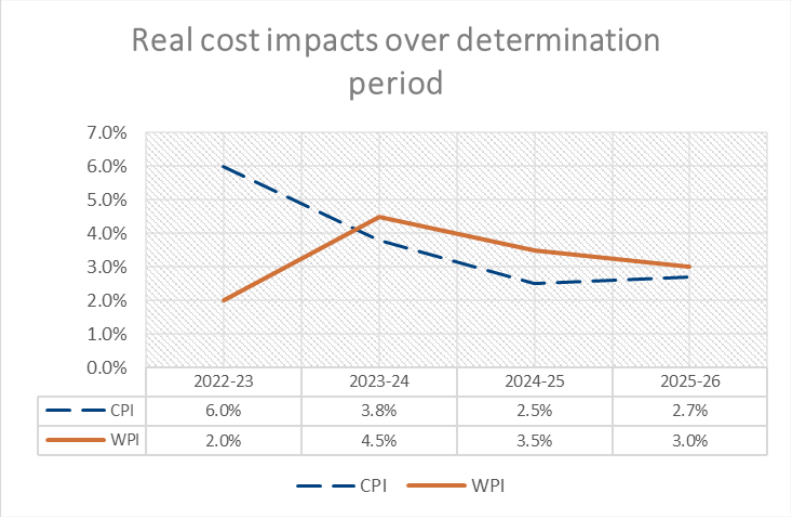


Figure 8: Real cost impacts over determination period

5.1 Performance for current determination

The four-year IPART operational expenditure allowance for Council was $483.7M ($2021-22) which equates to $556.9M ($2025-26) refer Table 65.

Table 5: IPART operational allowance $Real

Product	2022-23	2023-24	2024-25	2025-26	Total
Water	58.9	59.4	59.5	59.8	237.6
Sewer	50.3	50.8	50.8	50.9	202.9
Drainage	10.7	10.8	10.8	10.9	431.0
Total	**120.0**	**121.0**	**121.2**	**121.6**	**483.7**

Council's operating expenditure performance over the current determination (2022-26) was within the IPART allowance with an estimated underspend of $1.1M or 0.2%. (Refer Table 6 and Table 7)

Table 6: Operational expenditure performance for water, sewer, and stormwater 2022-26 ($2025-26)

$M	2022-23	2023-24	2024-25	2025-26	Total
	Actual	Actual	Actual	Forecast	
IPART Determination	138.4	139.6	139.8	140.3	558.1
Actual/Forecast	113.4	134.2	151.9	157.4	556.9
Variance $	**25.0**	**5.4**	**(12.1)**	**(17.1)**	**1.1**
Variance %	18.1%	3.8%	(8.7%)	(12.2%)	0.2%

Table 7: Operating performance by fund ($2025-26)

$M	2022-23	2023-24	2024-25	2025-26	Total
Water	**Actual**	**Actual**	**Actual**	**Forecast**	
IPART determination	68.0	68.6	68.7	69.0	274.2
Actuals/forecast	49.2	58.5	65.1	68.0	240.8
$ Variance	**18.8**	**10.0**	**3.6**	**1.0**	**33.4**
% Variance	27.6%	14.6%	5.2%	1.5%	12.2%
Sewer	**Actual**	**Actual**	**Actual**	**Forecast**	
IPART determination	58.1	58.6	58.6	58.8	234.1
Actuals/forecast	52.9	63.2	76.2	74.1	266.4
$ Variance	**5.2**	**(4.6)**	**(17.5)**	**(15.3)**	**(32.3)**
% Variance	9.0%	(7.8%)	(29.9%)	(26.1%)	(13.8%)
Stormwater drainage	**Actual**	**Actual**	**Actual**	**Forecast**	
IPART determination	12.4	12.4	12.5	12.6	49.8
Actuals/forecast	11.3	12.5	10.7	15.3	49.8
$ Variance	**1.1**	**(0.1)**	**1.8**	**(2.8)**	**(0.0)**
% Variance	8.6%	(0.7%)	14.4%	(22.3%)	(0.0%)

The following figure (Figure 9) shows Council's regulated expenditure in relation to the IPART allowance.

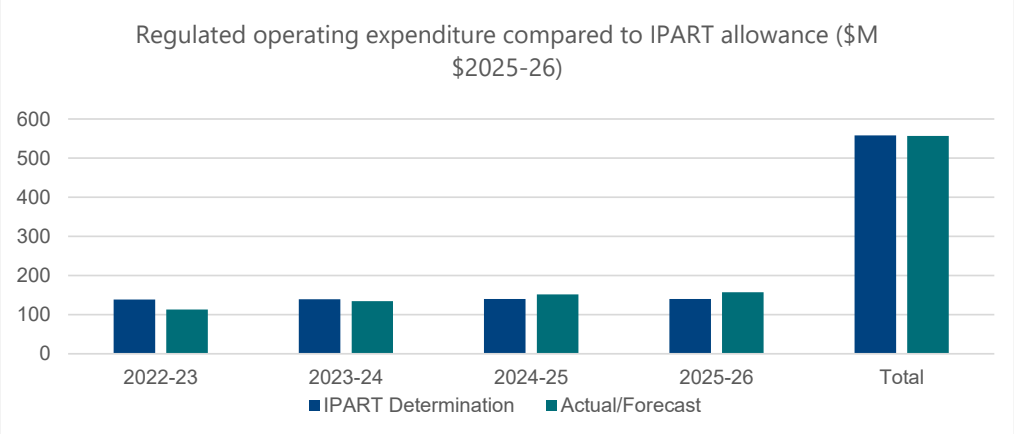


Figure 9: Operating performance compared to IPART allowance ($2025-26)

5.2 Water, sewer, and stormwater drainage Year one 2022-23

Table 8 shows the operational expenditure for water, sewer, and stormwater drainage for the 2022-23 financial year. The largest underspend was for labour, consultants/contractor, materials, and corporate overhead costs. The primary reasons for the underspend were the economic conditions, time taken to ramp up resourcing and logistical issues.

Table 8: Operating expenditure water and sewer actual to IPART allowance ($2025-26)

Account $M	IPART allowance	Council actuals	Variance $ (Over) / under allowance
Water			
Labour – Including Employee Provisions	24.9	15.8	9.0
External Consultants and or Contractors	9.6	4.6	5.0
Plant and Fleet	3.3	4.2	(0.9)
Licence Fees	0.5	0.6	(0.2)
Materials	7.1	5.1	2.1
Energy	5.0	5.3	(0.3)
Bulk Water Purchases - Treated	0.8	0.6	0.1
Other Expenses	3.9	2.2	1.6
Corporate Overheads	13.0	10.8	2.2
Grand Total	**68.0**	**49.2**	**18.8**
Sewer			
Labour – Including Employee Provisions	20.1	16.1	4.0
External Consultants and or Contractors	9.1	6.7	2.5
Plant and Fleet	1.9	3.3	(1.4)
Licence Fees	0.2	0.5	(0.4)
Materials	4.6	3.4	1.2
Energy	5.4	7.4	(2.0)
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.5	4.5	(1.1)
Corporate Overheads	13.3	11.0	2.4
Grand Total	**58.1**	**52.9**	**5.2**
Stormwater Drainage			
Labour – Including Employee Provisions	2.3	2.1	0.2
External Consultants and or Contractors	1.4	1.7	(0.3)
Plant and Fleet	1.2	2.3	(1.1)
Licence Fees	0.0	0.0	(0.0)
Materials	0.5	0.2	0.3
Energy	0.0	0.0	0.0
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.1	2.3	0.8
Corporate Overheads	4.0	2.7	1.2
Grand Total	**12.4**	**11.3**	**1.1**

Year one of the determination (2022-23) for water and sewer resulted in an underspend of $24M ($2025-26) or 19.0%. The underspend was related to resourcing, contractor constraints and an under allocation of Corporate overheads (related to the lower expenditure).

The IPART operational allowance for 2022-23 was $126.1M ($2025-26) $68.0M water and $58.1M sewer. The actual expenditure for Council was $102.1 ($2025-26) $49.2M water and $52.9M sewer.

Securing resourcing – changes to the operating environment and economic market post the IPART submission resulted in the availability of skilled resources. Apart from resourcing challenges in recruiting employees, there were challenges in engaging external contractors as evidenced by occasions where no responses received from contractors on Council's pre-approved panels. Labour expenditure for water and sewer represented an underspend of $13.1M ($2025-26). The underspend was attributed to the following.

- Time taken to recruit was on average of 60 days with the shortest timeframe being 46 days and longest being 91 days.
- 50% success in filling advertised positions – some positions showed no suitable applicants to interview, and others declined due to the pay rate offered and counteroffers.
- Annualised turnover ratio is at 12.8% for permanent positions compared to a historical turnover rate of approximately 8.0%.
- Vacancy rate was at 13.6% for permanent positions which was higher than other directorates within Council.
- Seek data showed that it was a candidate's market. With statistics from October 2021 showing a 63% increase in job ads posted compared to October 2020, and 44% increase compared to October 2019. This meant that Council was competing for talent, particularly in those professional spaces and specialist roles. What were once elements of attraction in terms of living and working locally, were no longer as significant. As remote working was created and presented alternative options for prospective applicants. While frontline roles were more easily filled, Council expected to be challenged in relation to attracting professionals to the organisation in what continued to be a highly competitive market.
- Looking at alternative resourcing options until positions could be recruited and filled – agency hire and day labour however this is not feasible for all positions as some were specialised roles.

Procurement constraints - delayed some works. In addition, global and local logistic issues resulted in difficulty securing materials or long lead times for delivery of equipment and materials including chemicals. Contractor expenditure for water and sewer represented an underspend of $7.5M ($2025-26). The underspend was attributed to the following:

- Global and local logistic issues resulting in difficulty securing materials or long lead times for delivery of equipment and materials including chemicals.
- Resourcing issues relating to the volume of works and limited availability of skilled resource – apart from resourcing challenges in recruiting employees there were challenges in engaging external contractors as on occasions where there have been no responses from contractors on Council's pre-approved panels.

Plant and Fleet - the overspend of $2.3M ($2025.26) was related to the low budget set in 2021-22. The amount was set with reference to the budget post Council's financial crisis. This reflected lower costs due redundancies, internal cost reductions (similar to corporate overheads) and less activity. However, when Council began its recovery, the recruitment increased as did the activity which surpassed the budget.

Corporate Overheads – the lower operational expenditure for water and sewer of $4.6M ($2025-26) resulted in a reduced overhead allocation. In 2022 apportionment of corporate overheads related to water and sewer was calculated based on the operating expenditure as a percentage of the total operating expenditure of the Council.

5.3 Water, sewer, and stormwater drainage Year two 2023-24

Table 9 shows the operational expenditure for water, sewer, and stormwater drainage for the 2023-24 financial year. The largest underspend again was for labour and to a lesser extent, consultants/contractor. The primary reasons for the underspend were again related to economic conditions, time taken to ramp up resourcing, an increase in employee churn and Mardi Water Treatment Plant using business as usual resources for capital works.

Table 9: Operating expenditure water and sewer actuals to IPART allowance ($2025-26)

Account $M	IPART allowance	Council actuals	Variance $ (Over) / under allowance
Water			
Labour – Including Employee Provisions	25.4	18.6	6.8
External Consultants and or Contractors	9.6	6.6	3.0
Plant and Fleet	3.3	4.9	(1.6)
Licence Fees	0.5	0.8	(0.3)
Materials	7.1	6.9	0.2
Energy	5.0	4.9	0.1
Bulk Water Purchases - Treated	0.8	0.7	0.1
Other Expenses	3.9	2.9	0.9
Corporate Overheads	13.0	12.4	0.7
Grand Total	**68.6**	**58.5**	**10.1**
Sewer			
Labour – Including Employee Provisions	20.7	19.5	1.2
External Consultants and or Contractors	9.1	8.4	0.7
Plant and Fleet	1.9	2.8	(0.9)
Licence Fees	0.2	0.7	(0.5)
Materials	4.6	7.0	(2.4)
Energy	5.4	6.6	(1.2)
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.5	5.0	(1.6)
Corporate Overheads	13.3	13.3	0.1
Grand Total	**58.7**	**63.2**	**(4.5)**
Drainage			
Labour – Including Employee Provisions	2.3	2.9	(0.6)
External Consultants and or Contractors	1.4	1.3	0.1
Plant and Fleet	1.2	2.0	(0.8)
Licence Fees	0.0	0.0	(0.0)
Materials	0.5	0.2	0.3
Energy	0.0	0.0	0.0
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.1	2.7	0.4
Corporate Overheads	4.0	3.5	0.5
Grand Total	**12.4**	**12.5**	**(0.1)**

Year two (2023-24) of the determination the total water and sewer IPART allowance for water and sewer was $127.3M ($2025-26) ($68.6M water $58.7M sewer). The actual expenditure for water and sewer was $121.7M ($2025-26) ($58.5M water & $63.2M sewer). This represented an underspend of $5.5M or 4.3%.

Similar challenges were experienced for 2023-24 as that in 2022-23, these included[5]:

- **Securing resources** –economic market and delays in on-boarding resulted in the delayed availability and recruitment of recruitment of skilled resources. However, the conditions improved and the actuals for labour increased from $31.9M in 2022-23 to $38.1M in 2023-24.
- **Procurement challenges** -Mainly in relation to available resources, time to procure contractors, securing market supplies (e.g., solid chlorine). Again, actuals increased from the 2022-23 to 2023-24 from $11.2M to $15.0M.
- **Employee churn** – An average churn rate between 9-10% (2020-21 being the exception where the churn rate was 22%). This also is attributed to an ageing workforce.
- **Large projects (MWTP**) - impacts on Business as usual (BAU) crews for required preparation works for the Mardi Water Treatment Plant shutdown.
- **Materials**- Material costs increased due the capitalisation process and the Works in Progress adjustment transferring costs from capital to operational of $4.2M.

[5] Unless otherwise indicated, all dollars are expressed in $2025-26

5.4 Water, sewer, and stormwater drainage Year three 2024-25

Table 10 shows the operational expenditure for water, sewer, and stormwater drainage for the 2024-25 financial year. Resourcing (labour) began to ramp up and the underspend in water was offset by the overspend in sewer. Sewer experienced an increase maintenance related activity (inspections).

Table 10: Operational expenditure water and sewer actuals to IPART allowance ($2025-26)

Account $M	IPART allowance	Council actuals (unaudited)	Variance $ (Over) / under allowance
Water			
Labour – Including Employee Provisions	25.6	20.9	4.6
External Consultants and or Contractors	9.6	8.2	1.4
Plant and Fleet	3.3	5.5	(2.2)
Licence Fees	0.5	0.7	(0.2)
Materials	7.1	6.1	1.0
Energy	5.0	4.6	0.4
Bulk Water Purchases - Treated	0.8	0.8	(0.0)
Other Expenses	3.9	5.0	(1.1)
Corporate Overheads	13.0	13.2	(0.2)
Grand Total	**68.7**	**65.1**	**3.6**
Sewer			
Labour – Including Employee Provisions	20.7	25.2	(4.5)
External Consultants and or Contractors	9.1	11.0	(1.9)
Plant and Fleet	1.9	4.3	(2.4)
Licence Fees	0.2	0.6	(0.4)
Materials	4.6	6.4	(1.8)
Energy	5.4	5.9	(0.5)
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.5	9.0	(5.5)
Corporate Overheads	13.3	13.7	(0.3)
Grand Total	**58.7**	**76.2**	**(17.5)**
Drainage			
Labour – Including Employee Provisions	2.3	2.8	(0.5)
External Consultants and or Contractors	1.4	1.3	0.0
Plant and Fleet	1.2	2.1	(0.9)
Licence Fees	0.0	0.0	(0.0)
Materials	0.5	0.2	0.3
Energy	0.0	0.0	0.0
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.1	2.0	1.1
Corporate Overheads	4.0	2.2	1.8
Grand Total	**12.5**	**10.7**	**1.8**

Year three (2024-25) of the determination the total water and sewer IPART allowance for water and sewer was $127.4M ($2025-26) ($68.7M water $58.7M sewer). The draft actual expenditure for water and sewer is $141.3M ($2025-26) ($65.1M water & $76.2M sewer). This represents an overspend of $13.9M.

The overspend is attributed to[6]:

- **Securing resources** – the labour costs increased to $46.2M in 2025-26 an increase of $8.1M. This resulted from the expenditure required to support the Transition Strategy attributed to the follow initiatives:
    - Employing an additional 66.3 staff (based on 20/21 actuals) with the experience to support the transition to preventative maintenance.
    - There was also a movement in actuals costs to sewer mainly due to the increase of reactive works, and an increase in inspections related to sewer assets.
- **Procurement** – securing contractors and consultants saw the contractor expenditure increase from $15.0M to $19.2M an increase of $4.2M. This increase was related to additional sludge removal costs at the treatment plants.
- **Plant and Fleet** – the original budget set for plant and fleet used the 2020-21 submission forecast budget, was set after Council's financial crisis. This reflected lower costs due redundancies, internal cost reductions (similar to Corporate overheads) and less activity.
    - The increase in Plant and Fleet costs is also in line with the increase in recruitment. over this period,
    - Plant and Fleet was used to remove the sludge at Mardi (additional cost) in support of the Mardi Water treatment Plant upgrade. External plant was required which increased the costs. In addition, the removal of sludge from the Kincumber treatment Plant[7].
- **Other –** The actuals for other has increased by $6.0M in 2024-25 across Water and Sewer. This was attributed to:
    - $2.1M was the Mardi Water treatment Plant corridor clean-up (increased tipping fees)
    - $1.1M Woy Woy Sewage treatment plant cleanout of the aeration tank
    - $1.8M Kincumber Sewage treatment Plant sludge removal.

[6] Unless otherwise indicated, all dollars are expressed in $2025-26

Plant & Fleet

•Depreciation – Depreciation has been calculated based on initial annual expected depreciation for each plant item, adjusted for variations in life expectancy informed by the depreciation as per the fixed asset register.

•Corporate Overheads – Corporate overheads charged to Plant and Fleet have been allocated through permanent hire fees as a % of the original purchase price.

•Direct Overheads (Fleet Services) – These are the costs to run Fleet Services including buy, sell, maintain, repair, shared materials, unchangeable time, facility costs, tooling, management cost etc. These have been broken down through a complexity model based on plant type and then allocated through permanent hire fees as a % of the original purchase price per category.

•Direct Cost Maintenance and Repairs - These have been broken down through a complexity model based on plant type and then allocated through permanent hire fees as a % of the original purchase price per category.

•Direct costs other – Where practical, direct charges have been allocated to the plant for items such as fuel, GPS, registration, CTP, Insurance, roadside service etc.

5.5 Water, sewer, and stormwater drainage Year four 2025-26

Table 11 shows the operational expenditure forecasts for water, sewer, and stormwater drainage for the 2025-26 financial year. Changes to expenditure for tipping costs shows a transfer of budget from 'Other' to consultants/contracts costs for sewer. This is to account for the changes to the contract related to dewatering and sludge removal.
The overall expenditure for water and sewer is expected to go over the IPART allowance by $14.6M ($2025-26) in relation to the increase in consultants and contractor costs related to sludge removal.

Table 11: Operational expenditure water and sewer forecast to IPART allowance ($2025-26)

Account $M	IPART allowance	Council forecast	Variance $ (Over) / under allowance
Water			
Labour – Including Employee Provisions	25.7	22.8	2.9
External Consultants and or Contractors	9.6	12.9	(3.3)
Plant and Fleet	3.3	5.0	(1.7)
Licence Fees	0.5	0.7	(0.3)
Materials	7.1	5.5	1.6
Energy	5.0	4.2	0.8
Bulk Water Purchases - Treated	0.8	0.8	(0.0)
Other Expenses	3.9	3.0	0.9
Corporate Overheads	13.0	13.1	(0.1)
Grand Total	**68.8**	**68.0**	**0.9**
Sewer			
Labour – Including Employee Provisions	20.7	24.4	(3.7)
External Consultants and or Contractors	9.1	17.0	(7.8)
Plant and Fleet	1.9	3.2	(1.3)
Licence Fees	0.2	0.6	(0.5)
Materials	4.6	3.9	0.7
Energy	5.4	6.3	(0.9)
Bulk Water Purchases - Treated	0.0	0.0	0.0
Other Expenses	3.5	5.0	(1.6)
Corporate Overheads	13.3	13.7	(0.4)
Grand Total	**58.6**	**74.1**	**(15.5)**
Drainage			
Labour – Including Employee Provisions	2.3	3.5	(1.2)
External Consultants and or Contractors	1.4	4.3	(2.8)
Plant and Fleet	1.2	2.3	(1.1)
Licence Fees	0.0	0.1	(0.1)
Materials	0.5	0.5	0.0
Energy	0.0	0.0	0.0
Bulk Water Purchases - Treated	0.0	0.0	0.0

Account $M	IPART allowance	Council forecast	Variance $ (Over) / under allowance
Other Expenses	3.1	2.8	0.3
Corporate Overheads	4.0	2.0	2.0
Grand Total	**12.6**	**15.3**	**(2.8)**

Year four (2025-26 forecasts). the forecasts against the IPART allowance shows an overspend for water and sewer of $14.6M ($2025-26) predominantly related to sewer and the costs associated with dewatering and sludge removal.

Consultants and Contractors – The increase in sewer expenditure is due to the change in the Australian Native Landscapes contract (ANL).

- Previously, the contractor (ANL) would remove the sludge from the Sewage treatment Plant and transport it to Buttonderry waste management facility. The tonnage cost for tipping was paid directly to Council's facility. From 2025-26 the tonnage cost will be included in the consultants/contractor overall forecast expenditure.

6 Proposed operating expenditure 2026-31

6.1 Base Trend Step

In line with IPART's regulatory framework, Council is required to submit their operational expenditure forecasts using a BTS methodology. IPART defines the BTS approach as:

- The base line operational expenditure is the current efficient level of recurrent controllable opex.
- The trend is any predictable change in the efficient level of recurrent controllable opex due to output growth, productivity improvements and real input price changes.
- The step is any forward-looking step change in the efficient level of recurrent controllable opex due to a particular event, such as changes to regulation or the method of delivering a service. It can also relate to non-recurrent costs that do not occur every year.

6.2 Setting the trend line

The trend is any predictable change in the efficient level of recurrent controllable opex due output growth, productivity improvements and real input price changes (consumer price index, wage growth) *source: IPART Water regulation Handbook July 2023 section 4 Elements of a pricing proposal.*

The trend is any factor that causes an indirect change in the base operational expenditure (opex) over time, and includes output growth, productivity improvements and price changes (consumer price index and wage growth).

The trend line consists of the following factors:

- **Output Growth** – The output growth is the annual change in opex due to rising population, increased connections, and the amount of water that needs to be produced. Council's output growth will be based on the relationship between customer connection numbers and efficient opex identified as part of benchmarking.
- **Real Price Growth** –The Real Price Growth factors in an equal weighting of Consumer Price Index (CPI) and Wage Price Index (WPI). Council has considered relevant market data when setting the real price growth, including labour and material costs. Based on Oxford Economics' forecast, the EGWWS (Electricity, Gas, Water and Waste Services) and construction real WPI and is projected to rise by an average of 1.0% and 0.8% per annum over the upcoming determination period. Furthermore, gas and fuel real price changes are projected to increase by 0.6% per annum. Council's applied input price growth factor is therefore an appropriate representation of labour and other cost inputs.
- **Productivity Growth** – Productivity Growth represents Continuous Efficiency, which is the rate of productivity improvement across the industry from one year to the next. This is usually measured by the difference in the annual efficient frontier (the maximum efficiency level across the industry). The productivity growth was applied

by IPART in the current determination period at 0.7%. The productivity growth for Council will use the Total-Factor-Productivity which is currently at 0.7%.

The trend line is calculated as follows:

Rate of Change (%) =
Output Growth (%) + Real Price Growth (%) – Productivity Growth (%)

The trend line is applied to the Base Efficient Opex (less non-recurrent and uncontrollable costs) to give the percentage increases to be applied over the determination period (2026-31) (Refer Table 12).

Table 12: Calculating the trend for water and sewer

Trend element	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Forecast output change – Water no# connections growth to OPEX	0.85%	0.79%	0.70%	0.62%	0.71%	0.70%
Forecast real input price change – Water real Wage price index weighted by 50%	0.55%	0.40%	0.35%	0.45%	0.55%	0.55%
Forecast productivity change - Water	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Cumulative Trend	**0.69%**	**1.18%**	**1.53%**	**1.91%**	**2.47%**	**3.03%**
Forecast output change – Sewer No# connections growth to OPEX	0.68%	0.63%	0.56%	0.50%	0.56%	0.56%
Forecast real input price change – Sewer real Wage price index weighted by 50%	0.55%	0.40%	0.35%	0.45%	0.55%	0.55%
Forecast productivity change – Sewer	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%
Cumulative Trend	**0.52%**	**0.85%**	**1.06%**	**1.31%**	**1.73%**	**2.14%**

6.3 Baseline recurrent controllable operating expenditure

Baseline recurrent controllable operational expenditure (opex) reflects the business's efficient recurrent controllable opex in the second last year of the current determination period. Council has set the baseline on the February 2025 actuals (annualised).

Waiting until the end of year actuals (August 2025) would not allow sufficient time for:

- tariff modelling
- communication with Councillors
- community engagement regarding price impacts and willing ness to pay scenarios
- submission completion to meet lodgement deadlines and internal sign off requirements.

The following adjustments were made to the February opex forecasts understanding anticipated changes:

1. The transfer of the Water Billing team from the general fund to the water and sewer fund
2. Additional costs associated with the Water Billing team transfer (cost of mailing, printing and contractor costs including meter readers)
3. A Water and Sewer restructure and the introduction of the Business Performance team where additional positions were filled during the year, however not representative of a full financial year expenditure
4. The introduction of the new sewer dewatering contract that transferred tipping costs to contracts (from other)
5. The removal of non-controllable costs from the base OPEX reducing licence fees and bulk water costs
6. The increase in chemical costs for the Mardi Water Treatment Plant (MWTP) completion related to the use of Ferric
7. The decrease in tipping costs due to the removal of MWTP sludge a non-recurring cost.

In addition, the baseline opex has been adjusted to:

- Remove non-controllable expenditure items to be forecast separately
- Remove one-off or non-recurring expenditure items incurred in the base year or add normally occurring items that were not incurred in the base year
- Remove additional cost savings or efficiency improvements expected or committed to in the final year of the current determination period, including any continuing efficiency improvement expectations set by IPART for the current period.

Council is expected to demonstrate the efficiency of the adjusted baseline opex using benchmarking analysis and provide justification for the adjustments and explain any deviations from the base-year opex allowance previously determined by IPART.

Council has performed econometric benchmarking of opex for water utilities using the Bureau of Meteorology's (BOM's) 2023-24 National Performance Report (NPR) database, where the dataset contains information on water utilities in Australia, including connection numbers, mains length, volumes and opex separately for the water and wastewater businesses of water distribution utilities.

From the analysis, Council concluded that it was most appropriate to compare the business to other large and major utilities only, and selected connection numbers as the main driver of opex. The resulting estimates of efficiency for Council are provided in the table below. The table (Table 13) also presents the estimates of efficiency if all drivers of opex are included in the econometric models.

Table 13: Benchmarking Council's efficiency of base OPEX

	Sewer		Water	
Sample	Connections only	All drivers	Connections only	All drivers
Major only	95.0%	93.1%	78.3%	74.1%
Large & Major	90.1%	88.8%	84.8%	78.8%

Council is, on average, efficient based on connections to expenditure as well as length of mains and volumes to expenditure.

The efficiency estimates suggest that Council's opex for both water and sewer has been efficient over the historical period 2009-2024. Further, the analysis facilitates a comparison of efficiency scores against peers, presented in Table 14.

Council has been in the top 15 percentile against its peers for sewer and in the top 11 percentile for water (against major utilities).

Table 14: Efficiency ranks against Council's peers

Sample	Sewer	Water
Major only	85th percentile	89th percentile
Large and Major	79th percentile	88th percentile

The total proposed operational expenditure between 2026-2031 is $703.3m ($2025-26). Water is $351.4M and sewer $351.9M. This is broken into the BTS model below Table 15, Table 16 and Table 17.

Table 15: Base trend step operational expenditure water and sewer $2025-26 millions

Component $M	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Base	133.2	133.2	133.2	133.2	133.2	666.1
Trend - Subtotal	1.4	1.7	2.1	2.8	3.4	11.4

Step changes	6.2	4.7	3.5	5.3	2.9	22.6
Controllable expenditure	**140.8**	**139.7**	**138.8**	**141.3**	**139.6**	**700.1**
Non-controllable	0.6	0.6	0.6	0.6	0.6	3.1
Total operating expenditure	**141.4**	**140.3**	**139.5**	**141.9**	**140.2**	**703.3**

Table 16: Water operational expenditure forecasts in BTS $2025-26

Water Opex $M	2026-27	2027-28	2028-29	2029-30	2030-31	Total Determination
Base Opex	65.4	65.4	65.4	65.4	65.4	326.8
Trend percentage	1.2%	1.5%	1.9%	2.5%	3.0%	2.0%
Base OPEX with Trend	66.1	66.4	66.6	67.0	67.3	333.4
Non-Recurring Controllable Opex	4.3	3.0	1.8	3.3	2.4	14.8
Step Changes	0.2	0.2	0.2	0.2	0.2	1.0
Non-controllable	0.4	0.4	0.4	0.4	0.4	2.2
Total Opex	**71.1**	**70.0**	**69.0**	**70.9**	**70.4**	**351.4**

Note: totals may not add, due to rounding

Table 17: Sewer operational forecasts in BTS ($2025-26)

Sewer Opex $M	2026-27	2027-28	2028-29	2029-30	2030-31	Total Determination
Base Opex	67.9	67.9	67.9	67.9	67.9	339.3
Trend percentage	0.9%	1.1%	1.3%	1.7%	2.1%	1.4%
Base OPEX with Trend	68.4	68.6	68.8	69.0	69.3	344.1
Non-Recurring Controllable Opex	1.1	1.5	1.0	1.2	0.3	5.1
Step Changes	0.6	0.1	0.5	0.6	0.1	1.8
Non-controllable	0.2	0.2	0.2	0.2	0.2	1.0
Total Opex	**70.3**	**70.3**	**70.4**	**71.0**	**69.8**	**351.9**

Note: Totals may not add, due to rounding

6.4 Recurring base OPEX

The recurring base opex was set with reference to the February 2025 year to date totals and then annualised. Due to the new IPART requirements, adjustments needed to be made to the opex with the removal of both non-recurring and non-controllable expenditure items. In addition, expenditure that had not occurred, or occurred part way through the 2024-25 financial year that would not correctly be reflected in the annualised forecasts, were added.

Management of the budgeting process commenced in December 2024, where budget owners were requested to develop forward budgets for anticipated operating expenditure as well as expenditure items that were linked to changing regulations or required strategies. All requested expenditure had to be classified as either recurring or non-recurring. In addition, non-controllable expenditure was removed from the base opex (*refer section 6.3 Baseline recurrent controllable operating expenditure*).

6.5 Setting the base for operating expenditure (OPEX)

IPART requires that the base operating expenditure be based on the penultimate year (2024-25).

To set the base opex, Council used the February 2025 financial year to date opex and annualised these to use in the Building Block Model (BBM) with anticipated adjustments made that were not realised, however expected.

Allocation of operating costs to activities

The general ledger is set up with two funds, water, and sewer. The funds are further broken down to Unit and Section and costs are captured via work orders with defined activities (activity-based costing) or project numbers. These are used when ordering materials, working on a civil asset, ordering plant and fleet (as an example), or used for payment of consultants/contractors.
The forecast expenditure was allocated to these funds and cost categories to understand impacts to the 2026-31 operational expenditure.
When forecasting the operational expenditure for the 2026 determination, an iterative process was adopted, where each unit was required to:

- Review current expenditure in relation to service delivery
- Identify risks and asset failures in relation to service levels
- Understand expected pollution reduction programs and changing regulatory environment and
- Additional expenditure related to community discretionary spend.

Each Unit was then required to evaluate the additional expenditure in relation to the required expenditure. Any additional expenditure was reviewed by management (Unit Managers for each Section) to prioritise the requested expenditure and, where required, additional information was requested. Any request for additional expenditure had to be approved by the Director Water and Sewer.

Key expenditure assumptions

When setting the forecast operational expenditure, the key assumptions underpinning the forecasts are:

- There will be no further change to the regulatory environment
- The current retail contract for the purchase of energy expires in 2031 (large market) and June 2026 for small sites. No large increases for small sites are anticipated
- There are no current plans by Council to change the corporate overheads allocation model during determination period
- Plant and Fleet costs will remain stable.
- Operating expenditure has been forecast with reference to
    - existing asset set performance
    - connection forecasts
    - demand and volume of wastewater in relation to sludge removal
    - transition strategy.
- Average weather conditions assumed
- Increase in inflation in relation to cost of goods and wage increases has been factored into the trend factor
- No further changes to the organisation structure for water and sewer.

Below is a summary on setting the base and why base OPEX is different to the unaudited actuals for the 2024-25 financial year. (Table 18)

Table 18: 2024-25 annualised actuals compared to base opex ($2025-26)

IPART spend category $M	2024-25 annualised actuals $2025-26	Forecast base opex $2025-26	Increase / (decrease) $2025-26	Comments
Labour – Including Employee Provisions	41.0	46.1	5.1	Labour adj - FY26 structure $5.1M
External Consultants and or Contractors	16.5	21.7	5.2	$3.1M from Other Exp, $1.2M to bring recurring sludge contract to $6M, Water billing contract costs $0.8M
Plant and Fleet	8.5	8.5	0.0	
Licence Fees	1.4	1.0	(0.4)	Non controllable removed $0.4M
Materials	12.0	12.7	0.6	Mardi extra materials $0.6M
Energy	10.5	10.5	0.0	

IPART spend category $M	2024-25 annualised actuals $2025-26	Forecast base opex $2025-26	Increase / (decrease) $2025-26	Comments
Bulk Water Purchases - Treated	0.8	0.8	(0.1)	Non controllable removed $0.1M
Other Expenses	10.7	4.7	(6.1)	1) Non-recurring costs removed: $2.9M - Mardi Sludge removal (a one-off in FY25), and $0.4M EPA Fine (a one-off in FY25), 2) $3.1M Tipping fees moved to Consultants, 3) $0.6M from Water billing team
Corporate Overheads	27.4	27.4	0.0	
Grand Total	**128.8**	**133.2**	**4.4**	

6.5.1 Adjustments to base OPEX

Table 19 and Table 20 break down the base recurring OPEX into water and sewer.

Table 19: Base OPEX Water $2025-26 $M

IPART spend category	Base Opex $M
Labour - Including Employee Provisions	22.2
External Consultants and or Contractors	8.4
Plant and Fleet	5.1
Licence Fees	0.5
Materials	7.1
Energy	4.6
Bulk Water Purchases - Treated	0.8
Other Expenses	3.1
Corporate Overheads	13.5
Total Base Opex	**65.4**

Table 20: BASE OPEX Sewer $2025-26 $M

IPART spend category	Base Opex $M
Labour - Including Employee Provisions	23.8
External Consultants and or Contractors	13.3
Plant and Fleet	3.3
Licence Fees	0.5

IPART spend category	Base Opex $M
Materials	5.6
Energy	5.8
Other Expenses	1.5
Corporate Overheads	13.9
Total Base Opex	**67.9**

Labour including employee provisions increase to base from $41.0M to $46.1M total adjustment $5.1M

To calculate the 2024-25 labour forecast, we used the 2025-26 detailed labour budget and revised down to account for the 3% pay increase and 0.5% superannuation increase. This was to ensure that the 2024-25 labour forecast was not over inflated.

External consultants and or contractors increased from $16.5M (2024-25 annualised actuals used for base OPEX) to $21.7M Total adjustment $5.2M.

There have been several adjustments made to the forecast base OPEX for consultants and contractors. Most of the costs have come from how the sludge is managed in relation to tipping fees (previously in Other) and the renewal of the dewatering contract.

- $3.1M has been removed from Other and moved to Consultants and contractors for the change in the ANL contract where the tipping costs are now included in the contractor cost.
- Adding $1.2M to the existing dewatering contract increasing the dewatering costs up to $6M p.a.
- Including associated costs for the water billing team in relation to printing and postage $0.8M

Materials increase from $12M (2024-25 annualised actuals used for base OPEX) to $12.7M. Total adjustment $0.7M

The increase in materials is attributed to the increase in chemical costs for Mardi Water treatment Plant – increase in cost of Ferric $0.6M

Other expenses decrease from $10.7M (2024-25 annualised actuals used for base OPEX) to $4.7M. Total adjustment $6M.

The decrease is offset by the increase in consultants and contracts where sludge was previously costed separately from consultants and contractor and expensed to tipping fees (Other).

6.6 Non-controllable OPEX

Non-controllable costs as defined by IPART are those where the where the expense is set externally. This relates to items such as bulk water costs and regulatory licence fees (such as extraction licences). These costs are relatively low with an overall expenditure of $3.1M ($2025-26) over the determination period (Table 21).

Note: Council also has controllable bulk water and licence fees costs relating to Hunter Water bulk water purchases and software licence fees.

Table 21: Non-controllable opex $2025-26 $M

	FY27	FY28	FY29	FY30	FY31	Total Determination
Non-Controllable from base	0.5	0.5	0.5	0.5	0.5	2.3
Increase in Syd Water Purchases of Water	0.1	0.1	0.1	0.1	0.1	0.5
Dam Safety - net change	0.1	0.1	0.1	0.1	0.1	0.3
Total	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**3.1**

6.7 Non-recurring OPEX

Non-recurring OPEX are expenditure items that are cyclic. They may only occur once or twice over a determination period. They do not form part of the base OPEX which is the day-to-day costs of running a business. The only step change in the next determination period is the Benthic study. The average non-recurring opex across the determination is $4.3M per year (refer Table 22).

Table 22: Non-recurring opex $2025-26 $M

	FY27	FY28	FY29	FY30	FY31	Total Determination	Yearly average
Dam Safety Contractor costs	0.5	0.5	0.3	0.4	0.3	2.0	0.4
Assets and Planning Contractor costs	4.9	4.0	2.3	3.9	2.4	17.4	3.5
Business Performance Contractor costs	0.0	0.0	0.2	0.2	0.0	0.4	0.1
HW & Catchments - Benthic Study (step change)	0.5	0.0	0.4	0.5	0.0	1.4	0.3
Total	**5.9**	**4.5**	**3.2**	**5.0**	**2.6**	**21.3**	**4.3**

Non-recurring expenditure is underpinned by Dam safety requirements, environmental obligations and activities related to future planning requirements.

Table 23: Non recurrent OPEX detail ($2025-26)

Regulatory obligations	Unit	Topic	Total 5-year forecasts
Regulation- Dam Safety	Headworks and Treatment	**Dams (includes Mardi Creek, Dam, Mardi and Wyong South Treatment Plant)**	$2.04
		Dam security	
		Emergency response	
		Epoch movement survey	
		Surveillance reporting	
		Societal and individual risk rating	
Total			**$2.04**
Long term effective planning	Assets and planning	**Water resilience**	$8.4
		Desalination readiness	
		Water resource project	
		Update demand forecasts and tools	
		Porters Creek Gap analysis	
		CCWSP option development	
		Asset Management	$4.9
		Critical gravity main CCTV	
		Drawing management system implementation	
		STP sludge lagoon integrity investigations	
		Water tunnel inspections	
		Water and Sewer asset revaluation	
		Asset Planning	$4.3
		Domestic booster pump implementation	
		Biosolids strategy	
		Masterplan initiatives	
		Integration water servicing plan	
Total			**$17.4**
Regulation - Environmental	Headworks and Treatment	**Outfalls**	$1.4
		Benthic study	
Total			**$1.4**
Regulatory	Business Strategy and Performance	**Community engagement/Regulations**	$0.4
		Engagement /regulatory support	
Total			**$0.4**

Overall total			**$21.3**

6.8 Recurring step changes

Recurring OPEX step changes are expenditure items that are driven by changes to the regulatory environment. An example would be changes to the EPA guidelines related to PFAS testing or removal of biosolids rather than reuse. (Refer Table 244)

Table 24: Recurring step changes $2025-26 $M

	FY27	FY28	FY29	FY30	FY31	Total Determination
HW & Catchments - PFAS Water Testing	0.2	0.2	0.2	0.2	0.2	1.0
HW & Catchments - Liquid Trade Waste Tracking System	0.1	0.1	0.1	0.1	0.1	0.3
Total	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**1.4**

There are two recurring 'step changes' that are included in the forecast expenditure. that were not represented in the February 2025 forecast actuals. These additional costs are linked to regulatory drivers to ensure accountability and compliance.

PFAS water testing –
Central Coast Council is committed to assessing and managing the risk of per and poly-fluoroalkyl substances (PFAS) in drinking water across the region. Council adopts a site-specific, risk-based approach to monitoring chemicals of concern, including PFAS, in our drinking water supplies.
The guidelines are regulated through the EPA and Health and Medical research Council (NHMRC).
As part of this approach, Council has assessed the likelihood of PFAS sources within surface water catchments.

Testing is guided by the Australian Drinking Water Guidelines developed by the National Health and Medical Research Council (NHMRC), which define safe drinking water standards and include specific guideline values for PFAS in treated water.

Council's PFAS monitoring program includes:

- Surface waters
- Dams and water treatment plants
- Reticulation networks and Consumer monitoring points
- Groundwater bores (with particular attention to Woy Woy)

- Sewage treatment plant effluents and recycled water (RCW) plants
- Biosolids produced across the Central Coast
- This comprehensive monitoring ensures that Council can detect and respond to any potential PFAS risks, maintaining the safety and quality of the region's drinking water.

Liquid Trade Waste tracking system

Central Coast Council's liquid trade waste (LTW) section is responsible for overseeing the regulation and monitoring of approximately 1,500 customers discharging into the sewerage system. The current practice of managing compliance in relation to pre-treatment devices and tankering septic waste is for Council's LTW Officers to obtain copies of pump out dockets each time the pre-treatment device has been cleaned or via weighbridge/septic station records.

Council has engaged AMTAC Pty Ltd an experienced specialist, to implement a digital tracking system to monitor the transportation and disposal of K110 and J120 waste types. The digital liquid waste tracking system will provide Council with real-time monitoring of liquid waste transactions from the source to destination. This will reduce the time and manual processing of following up records from customers.

Department of Climate Change, Energy, the Environment and Water (DECCEW) Liquid Trade Waste Management Guidelines recommends that Councils in NSW have appropriate procedures in place to manage transported liquid waste within council's area irrespective of whether such waste is discharged to the council's sewerage system or not. This includes ensuring adequate maintenance of grease traps and septic tanks and preventing illegal dumping of the pump-out waste to the sewerage system or the environment. This is particularly important as there is no requirement for the transporters of septic waste and grease trap waste to hold NSW EPA licence when transporting such waste within NSW.

Council has implemented the recommendations of the DCCEEW by sourcing a digital tracking system to manage waste disposals, this will also align Council's liquid trade waste practices with that of industry leaders Sydney Water.

Table 255 below shows the total expenditure profile broken into the operational expenditure components.

Table 25: Water & Sewer average yearly opex by IPART spend category $2025-26 $M

IPART Spend category	Base opex	Non-recurring opex	Recurring step changes	Non-controllable opex	Total
Labour - Including Employee Provisions	46.1				46.1
External Consultants and or Contractors	21.7	4.3	0.3		26.2
Plant and Fleet	8.5				8.5
Licence Fees	1.0			0.5	1.4
Materials	12.7				12.7
Energy	10.5				10.5
Bulk Water Purchases - Treated	0.8			0.2	0.9
Other Expenses	4.7				4.7
Corporate Overheads	27.4				27.4
Total opex	**133.2**	**4.3**	**0.3**	**0.6**	**138.4**
Add: trend (average)					**2.3**
Total opex including trend					**140.7**

Council's forecast base operating expenditure by cost category for water and sewer for 2027-31 is represented in Figure 10 and Figure 11.

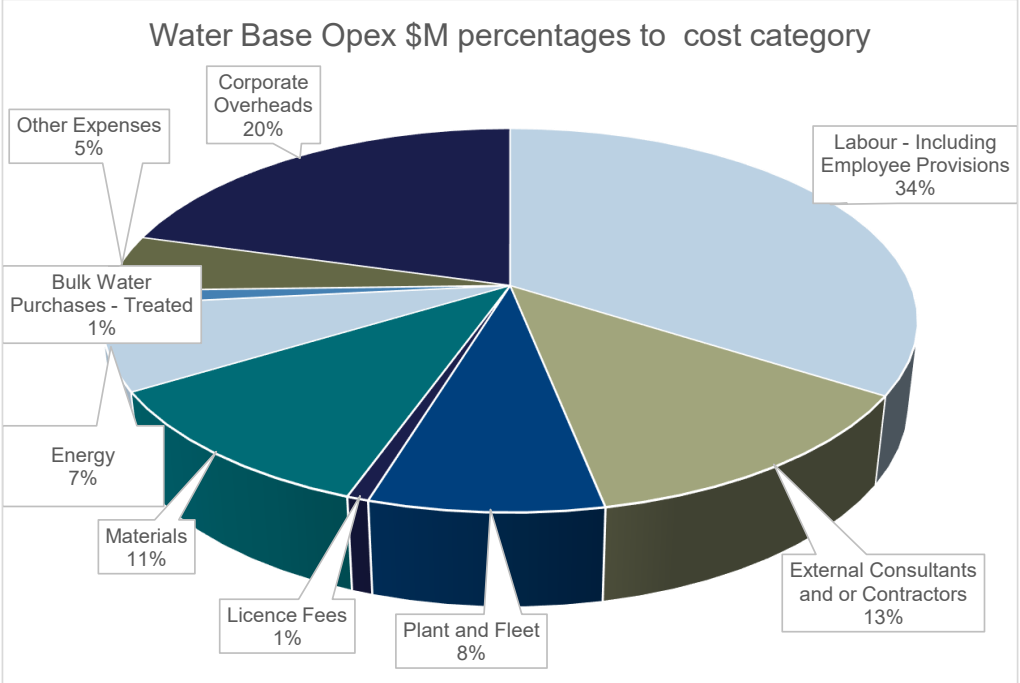


Figure 10: Water base OPEX by cost category

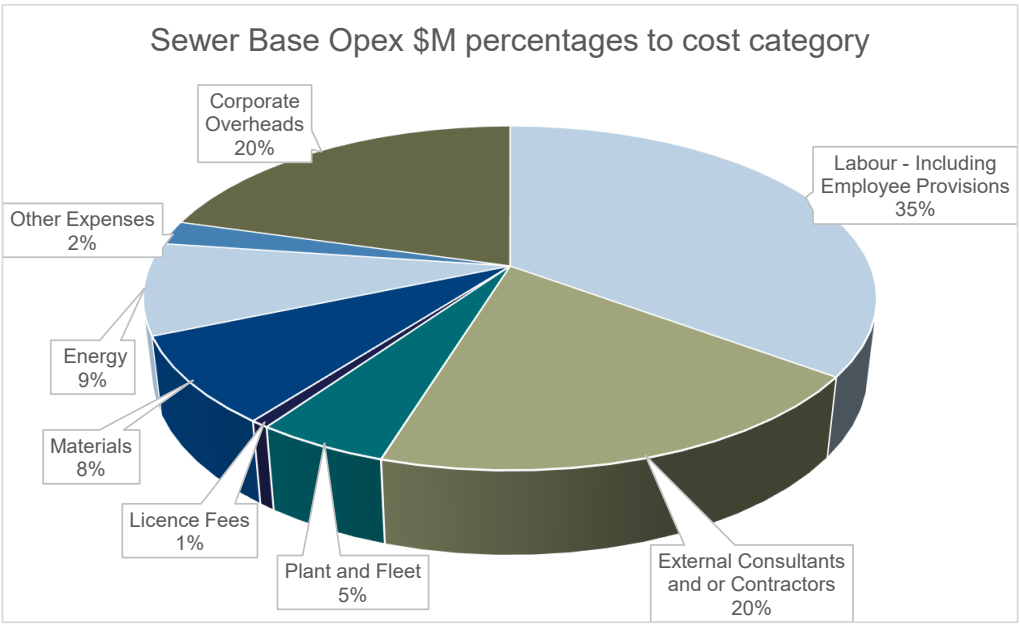


Figure 11: Sewer base OPEX by cost category

Abbreviations

CAPEX	Capital Expenditure
FTE	Full Time Employees
ISO	International Organisation for Standardisation
MWTP	Mardi Water Treatment Plant
NPR	National Performance Reporting
OPEX	Operational Expenditure
SCADA	Supervisory Control and Data Acquisition
SPS	Sewer Pump Stations
STP	Sewage Treatment Plants
WPS	Water Pump Station
WSAMIP	Water and Sewer Asset Management Improvement Program

References

IPART Water regulation Handbook July 2023

Appendix A

FTE 416 with assumed vacancies of 34.7 (vacancy rate 8.4%). Forecast FTE 381.3

Unit	Sum of Budgeted FTE	Sum of Opex FTE	Sum of Capex FTE	Assumed Vacancy Rates %	Total FTE	Opex FTE	Capex FTE	Total FTE	Opex FTE	Capex FTE
					Adjusted FTE			Assumed Vacancies		
Assets and Projects	**85.6**	**47.7**	**38**		**80.2**	45.2	35	**5.4**	2.5	2.9
Asset Delivery	**41**	7.3	33.7	8%	**37.7**	6.7	31	**3.3**	0.6	2.7
Assets and Planning	**41.6**	37.4	4.3	5%	**39.5**	35.5	4	**2.1**	1.9	0.2
Assets and Projects▪	**3**	3	0	0%	**3**	3	0	**0**	0	0
Headworks and Treatment	**89.6**	**88.2**	**1.4**		**83.4**	82.1	1.3	**6.2**	6.1	0.1
Compliance Water Systems	**23**	23	0	5%	**21.9**	21.9	0	**1.2**	1.2	0
Headworks and Treatment▪	**3**	3	0	0%	**3**	3	0	**0**	0	0
Treatment Plants and Catchments	**63.6**	62.2	1.4	8%	**58.5**	57.2	1.3	**5.1**	5	0.1
Network Operations and Maintenance	**208.2**	**200.6**	**7.6**		**187.5**	180.6	6.8	**20.7**	20	0.8
Maintenance Services	**82.6**	77.4	5.2	10%	**74.3**	69.7	4.7	**8.3**	7.7	0.5
Network Maintenance	**77**	75.8	1.2	10%	**69.3**	68.2	1.1	**7.7**	7.6	0.1
Network Operations and Maintenance▪	**4**	4	0	8%	**3.7**	3.7	0	**0.3**	0.3	0
Systems Operations	**44.6**	43.4	1.2	10%	**40.1**	39.1	1.1	**4.5**	4.3	0.1
Water and Sewer▪	**2.6**	**2.6**	**0**		**2.6**	2.6	0	**0**	0	0
Water and Sewer▪	**2.6**	2.6	0	0%	**2.6**	2.6	0	**0**	0	0

Unit	Sum of Budgeted FTE	Sum of Opex FTE	Sum of Capex FTE	Assumed Vacancy Rates %	Total FTE	Opex FTE	Capex FTE	Total FTE	Opex FTE	Capex FTE
Business Strategy and Performance	**30**	**30**	**0**		**27.6**	27.6	0	**2.4**	2.4	0
Business Strategy and Performance▪	**3**	3	0	8%	**2.8**	2.8	0	**0.2**	0.2	0
Community Delivery	**13**	13	0	8%	**12**	12	0	**1**	1	0
Performance and Risk	**14**	14	0	8%	**12.9**	12.9	0	**1.1**	1.1	0
Grand Total	**416**	**369.1**	**46.9**		**381.3**	**338.1**	**43.2**	**34.7**	**31**	**3.8**

Appendix B

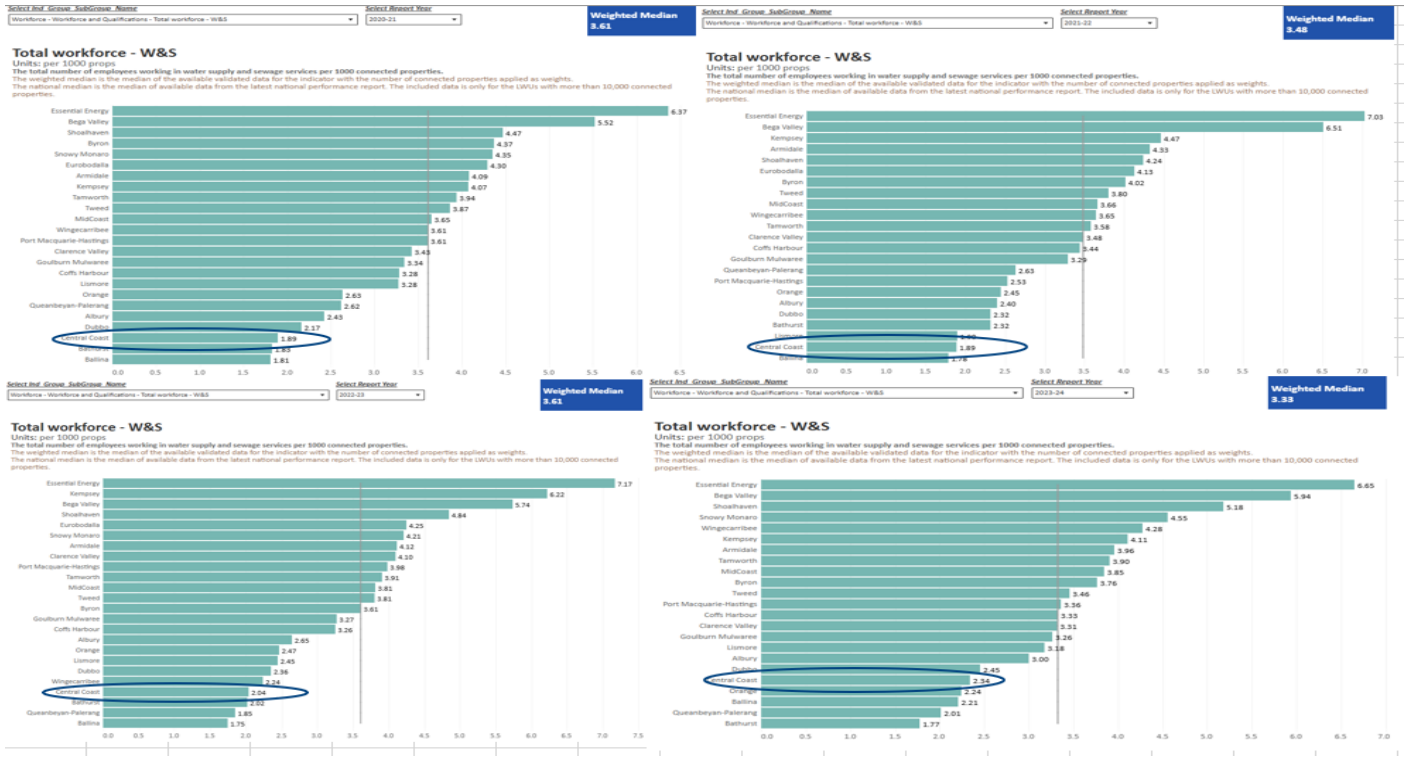


Figure 12: Water and Sewer workforce comparisons per 1000 properties 2020-2024

Central Coast Council | Water and Sewer

Technical Paper 5

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September 2025



Technical Paper 4
Capital expenditure

September 2025

Central Coast Council | Water and Sewer

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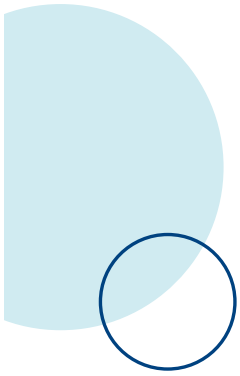
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1 Key points

Council is forecasting an over-delivery of capital works in the current determination period (2022-2026). The cost of delivering capital works within the water sector has increased significantly since IPART's last pricing determination in May 2022 (2019-2022) and has outpaced the broader Consumer Price Index (CPI) used to adjust Council's capital works' allowances.

Additional investments in water assets have mainly occurred due to cost increases in the Mardi Water Treatment Plant upgrade, Council's largest capital works project in the current determination period. These increases are despite Council implementing a range of efficiency measures, which included a capacity and staging review and value engineering exercise, undertaken as part of an Early Contractor Involvement (ECI) phase with Council's eventual contractor. Council has also seen additional cost increases across its broader program consistent with other New South Wales water businesses.

Additional investment in sewer assets has occurred as a result of increases to construction costs across the civil and mechanical/electrical disciplines above CPI. Council has also increased expenditure in upgrades to its sewage treatment plants to address poorly performing assets and mitigate risks to the environment. Many of these projects have been subject to Pollution Reduction Programs/studies or investigations/enforcement action by the NSW Environmental Protection Authority (EPA).

Stormwater drainage has delivered its determination capital allowance for the period. It is noted that drainage expenditure does not form part of the next IPART determination.

Capital grants have been obtained to offset the cost of capital works to water and sewer customers. Relevant grants include the Housing Acceleration Fund, Accelerated Infrastructure Fund and Safe and Secure Water Program.

Over the current determination period, Council has undertaken ongoing engagement with its customers to understand their values around water supply and sewer services. This has enabled Council to prepare its proposed capital investment in consideration of those values. The key investment themes for the next determination period are centred on the customer values of reliable services, good quality water, quality treatment (sewage) and effective planning. The customer value of environmental outcomes is also intrinsic to the majority of reliability driven projects, particularly those related to sewer assets. The associated projects are a mixture of asset renewals to address ageing infrastructure risks and growth-related projects to meet the needs of a growing region.

To ensure this increased level of expenditure is delivered efficiently, Council has improved its investment governance arrangements. The key initiatives in this regard are the formation of the Water Investment Review Committee (WIRC) and adoption of the Water and Sewer Project Lifecycle. The project lifecycle is a gated process that commences following the completion of project ideation and continues to the completion of defects liability and 12-month benefits realisation phase. The WIRC's role is to oversee the passage of projects through the project lifecycle and ensure the project adequately meets the needs of customers, planners, operators, and maintainers.

Council has continued to improve its asset management capabilities, with several risk and condition assessment programs undertaken over the current determination period. These improve understanding of asset risk and performance and allow improved prioritisation of asset renewals over the next determination period.

Asset Delivery capabilities have also improved, with several delivery panels and period contracts established to improve delivery efficiency and manage the scale of emerging major projects at Council's sewage treatment plants and network assets. These include major works at Charmhaven Sewage Treatment Plant and West Gosford Major Sewer Rising Main.

2 Current determination performance

2.1 Overview

Table 1: Current determination financial performance

$M	2022-23	2023-24	2024-25	2025-26	Total
Water	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
IPART determination	14.2	47.5	27.9	32.0	121.5
Actuals/forecast	22.0	32.2	45.3	41.5	141.1
$ Variance	(7.9)	15.2	(17.4)	(9.6)	(19.6)
% Variance	(55.5%)	32.1%	(62.5%)	(29.9%)	(16.1%)
Sewer	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
IPART determination	35.1	35.1	49.0	64.3	183.5
Actuals/forecast	49.9	53.1	70.3	90.7	263.9
$ Variance	(14.8)	(18.0)	(21.2)	(26.4)	(80.4)
% Variance	(42.0%)	(51.4%)	(43.3%)	(41.0%)	(43.8%)
Drainage	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
IPART determination	8.8	10.0	9.4	10.0	38.2
Actuals/forecast	10.7	9.1	9.3	9.3	38.4
$ Variance	(1.8)	0.9	0.1	0.7	(0.2)
% Variance	(20.8%)	8.8%	1.6%	6.6%	(0.4%)

Central Coast Council is forecasting an over-delivery of its 2022 IPART Capital allowance. This is mostly attributed to prioritisation of critical asset renewals as well as increased costs of materials and contract rates.

Council has experienced some challenges with managing cost escalation within its Capital program, particularly in relation to the escalation seen across the industry in construction activities, procurement and supply materials and equipment, which saw cost increases outpace general inflation.

Council has endeavoured to manage investment levels to IPART's 2022 allowance for efficient capital expenditure by ensuring projects undertaken are adequately prioritised with continuity of service to our community, mitigating business risk and regulatory compliance being the primary drivers for all works undertaken in the current period.

In addition, all capital projects are assessed within a gated process known as the Water and Sewer Project Lifecycle. Each project proposal must pass through a prioritisation process to assess risk of deferral (refer Figure 1).

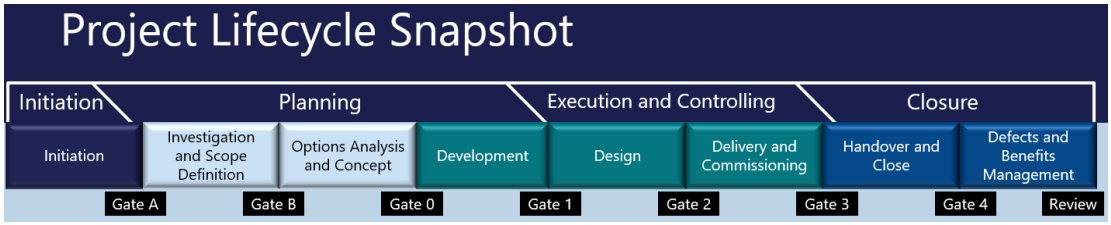


Figure 1: Gate approval process

2.2 Water

Council is forecasting a $19.6M over-delivery of Water capital expenditure to IPART's 2022 Determination. This increase is primarily due to increase in project costs associated with the major Mardi Water Treatment Plant Upgrade (refer Table 22).

Table 2: Water fund capital expenditure summary for the current determination period

$M	2022-23 Expenditure	2023-24 Expenditure	2024-25 Expenditure	2025-26 Forecast	Total
Water	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
IPART determination	14.2	47.5	27.9	32.0	121.5
Actuals/forecast	22.0	32.2	45.3	41.5	141.1
$ Variance	(7.9)	15.2	(17.4)	(9.6)	(19.6)
% Variance	(55.5%)	32.1%	(62.5%)	(29.9%)	(16.1%)

Council considers that its actual and forecast Water capital expenditure for the 2022 Determination is efficient because:

- There are no material changes to the scope of the Water investment program that IPART assessed as prudent in the 2022 Determination
- The primary driver for capital expenditure being higher than IPART's allowance was significant cost escalation related to the Mardi Water Treatment Plant upgrade and across our Water program. Market volatility, resource constraints and supply chain uncertainties have contributed to the costs of constructing and renewing infrastructure outpacing consumer inflation during the period
- Council applied appropriate project management and planning processes to deliver the program, including addressing IPART recommendations as part of the 2022 Determination, such as a Capacity and Staging Review and value engineering exercise for the Mardi Water Treatment Plant.

Council was also successful in receiving grant funding for three water projects. The Restart NSW, Safe and Secure Water Program which is contributing $6.85M ($nominal) to the major upgrades being undertaken at Mardi Water Treatment Plant. The Commonwealth and NSW Governments' Bushfire Local Economic Recovery (BLER) Fund contributed $2.6M ($nominal) to the Mangrove Creek Dam Visitor Centre project after the original site was destroyed by the 2019 Three Mile Fire. The Housing Acceleration Fund (HAF) which was received prior to the current pricing period and continues to fund works in the Gosford Central Business District (CBD) and Warnervale Town Centre for water and sewer infrastructure upgrades.

The funding received is forecast to offset the additional expenditure incurred, above IPART's 2022 Determination allowance (refer Table 33).

Table 3: Water fund capital revenue summary for the current determination period

Water – Funding Received $M	2022/2023 Capital Revenue	2023/2024 Capital Revenue	2024/2025 Capital Revenue	2025/2026 Forecast Revenue	Total
	$2025-26	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Water Infrastructure Reinforcements - Gosford CBD	1.95	1.23	2.05	1.08	6.31
Water Treatment Plant Major Upgrade - Mardi	0.36	0.60	1.46	3.85	6.27
Water Catchment Picnic Area and Visitor Centre - Mangrove Creek Dam	2.79	-0.04	0.00	0.00	2.75
Water Infrastructure - Warnervale Town Centre	0.06	0.00	0.19	1.22	1.47
	5.17	1.79	3.70	6.15	16.80

2.2.1 Mardi Water Treatment Plant (MWTP) major upgrades

The upgrade of MWTP was required to secure the original design 160ML/day plant capacity to Australian Drinking Water Guidelines, for a contemporary raw water quality envelope, which reflects changed water quality conditions in Mardi Dam following previous major water supply scheme yield augmentation projects.
The expenditure summary for this project is shown in Table 44.

Table 4: MWTP expenditure summary

Mardi Water Treatment Plant ($nominal)	Costs $M
Council 2021 Proposed Expenditure	45.8
Council Actual Expenditure/Forecast June 2023 Business Case	82.5
*2022 Consultants recommended *p101*[1]	*No Change*



Scope

The scope of works is largely unchanged since the 2021 Gate 2 Business Case, with the main change being the introduction of staging following IPART's challenge in their previous Determination (2019-2022). This was in relation to project delivery efficiency, and a

[1] Frontier Economics Expenditure Report Central Coast Council May 2022

subsequent Capacity and Staging Review and value engineering exercise undertaken during the Early Contractor Involvement (ECI) phase with the ECI Contractor.

The need for the project is unchanged and further raw water quality challenges have presented following the filling of Mangrove Creek Dam for the first time since its construction. These additional challenges will be manageable by the proposed upgrade work.

Schedule

The project schedule has changed significantly since the Gate 2 Business Case due to delays resulting from:

- The January 2022 Council resolution following the initial tender evaluation to decline all tenders received in September 2021 and further negotiate with the tenderers.
- An inability to obtain shortfall funding to address the significant escalation in the market since the pre-tender estimate of November 2020 until receipt of an IPART Determination aligned with the project.
- The execution of a 14-step Negotiation Plan that included tender repricing, an ECI phase and contract negotiations.

A summary of key forecast schedule dates is set out in the below Table 55.

Table 5: MWTP milestone summary

Milestone/Activity	Gate 2 Business Case Amendment (Jun 2023)
Complete Preliminary design	July 2021
Procurement & ECI	July 2021 – June 2023
Complete Sludge lagoon early works	June 2023
Award D&C Contract	**July 2023**
Detailed design	July 2023 – August 2024
Construction	February 2024 – June 2025
Commissioning, proving and wet weather contingency	July 2025 – November 2025
Practical Completion	**November 2025**
End of Defects Liability Period	November 2026

Cost

The Design and Construct (D&C) contract sum has increased substantially reflecting the volatility, resource constraints, supply chain uncertainties and significant escalation seen in the market since the Gate 2 Business Case.

A risk-based 'Monte Carlo'0[2] analysis has been carried out with a 90% (P90) contingency value included in the project budget estimate.

The business has been successful in securing partial funding of $6.85M ($nominal) through the NSW Government's Restart NSW Safe and Secure Water Program.

The budget estimate has been revised to reflect the change to scope, schedule, resources and risks as described above. A budget comparison with the Gate 2 Business Case is provided in Table 6.

Table 6: MWTP business case financial summary

	Gate 2 Business Case February 2021 ($M)	Gate 2 Business Case June 2023 amendment ($M)
D&C contract sum	31.8	56.4
Early works and ECI	3.2	5.9
Project management	6.3	10.5
Contingency	4.5	8.5
Escalation		1.2
TOTAL	**45.8**	**82.5**
Grant income	-6.8	-6.8
NET TOTAL	39.0	75.7



Ongoing construction of the new dissolved air floatation tanks.

[2] technique that uses repeated random sampling to model the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random variable



2.2.2 Water trunk main renewal – Avoca lagoon

Council proposed to invest in the renewal of a critical section of trunk water main that feeds through Avoca Lagoon. Sections of the main have experienced multiple breaks in the past. The trunk water main is a critical supply feed to the suburbs of North Avoca, Avoca Beach, Copacabana and MacMasters Beach. The expenditure for the project is shown in Table 77.

Table 7: Avoca Lagoon water main expenditure

$M ($nominal)	Total
Project Expenditure	4.6

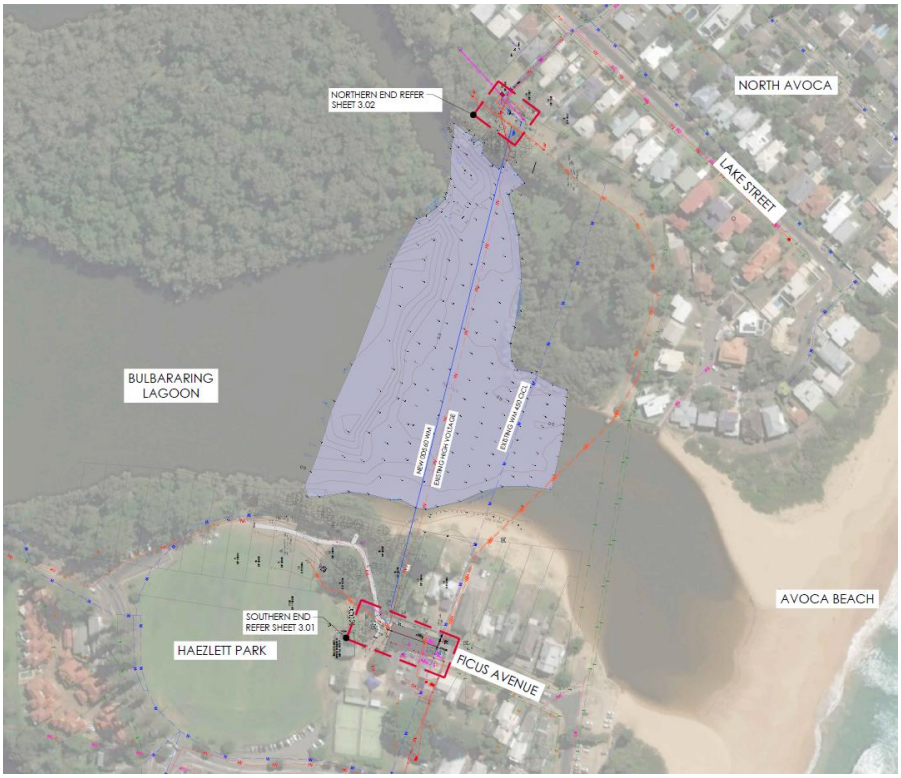


Figure 2: Avoca lagoon crossing Horizontal Directional Drilling (HDD) setup areas

The Avoca Beach Lagoon project (refer Figure 2) was a vital initiative aimed at enhancing the water supply infrastructure for approximately 11,000 residents across the Central Coast of NSW. This project was completed in September 2024 in response to challenges posed by a deteriorating 450mm diameter cast iron cement lined water main, which was plagued by maintenance issues due to its age and construction. The existing trunk main, situated on the lagoon bed, had become increasingly difficult to access and repair, particularly at the critical point where it enters the water.

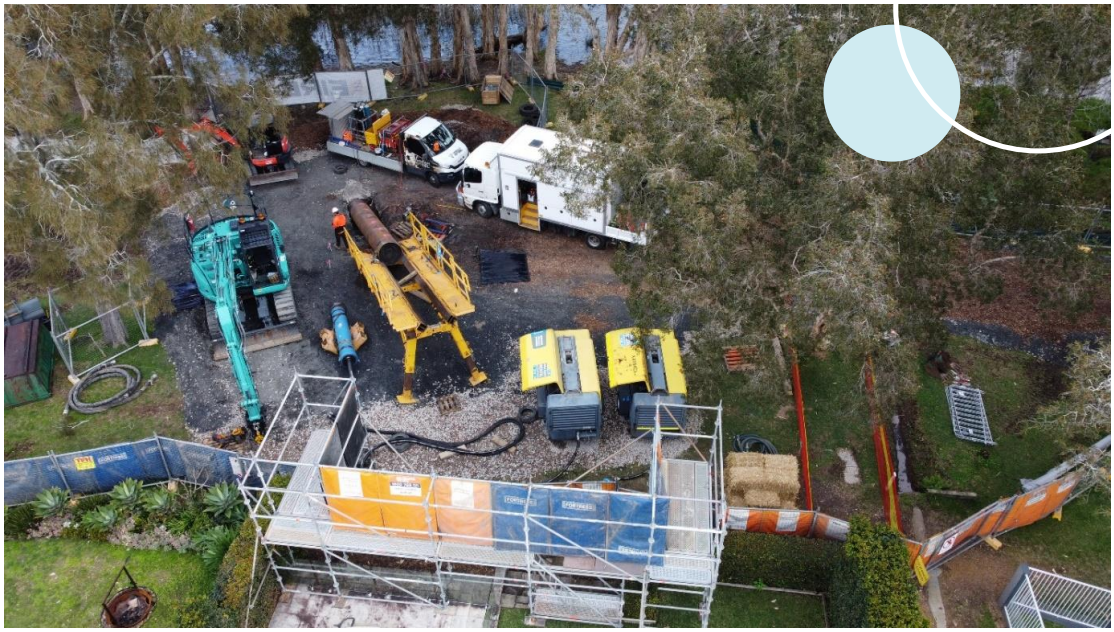


Previous repairs undertaken to original 450mm diameter cast iron cement lined trunk main

To address these challenges and ensure a reliable water supply, a new 560mm diameter polyethylene water main, strategically positioned 29 meters into the rock bed beneath the lagoon was proposed as the preferred option. This approach provided greater durability and reduced the need for future maintenance. A crucial first step in this process involved the installation of a 100-metre conductor casing into the rock. This pathway was essential for navigating the sand and sediment above, enabling effective management of drill fluid and spoil through dedicated mud return lines. The team successfully pulled a 560mm diameter poly pipe string approximately 400m in total length (12 metre welded lengths) through an under bore, securing it to the casing on the north side.

Overall, the project aimed to provide a robust and sustainable water supply solution, enhancing service reliability for local communities while minimising environmental impact during installation. By modernising the infrastructure, Council laid the groundwork for a resilient future, ensuring that residents can count on clean and dependable water resources.

The new infrastructure translates to cost savings in the long term by minimising the frequency of emergency repairs and the associated expenses, the project not only safeguards public funds but also supports local businesses that rely on a stable water supply. The increase in capacity will also support future development in the region. A reliable water service is vital for economic growth and development in the region.



Horizontal Directional Drilling (HDD) North Avoca side with casing pipe in place



Avoca side with pipe string

2.2.3 Mardi high lift pumpstation interconnection

The Central Coast Water supply is distributed to the network from Mardi Water Treatment Plant (MWTP) and Somersby Water Treatment Plant (SWTP). Treated water from MWTP is pumped from the clear water tank via the Mardi High Lift Pumping Station (MHLPS). MHLPS pumps to Tuggerah 2 Reservoir and from there water gravitates to the northern and southern systems.

The new Mardi to Warnervale Pipeline (M2WP) connects the existing Hunter trunk main at Sparks Road in Warnervale, directly to the Tuggerah 2 Reservoir system, enhancing the water supply flow rate between the Central Coast and Hunter Water Corporation (HWC). The M2WP also meets the obligations of the Hunter Central Coast Pipeline agreement, a key component of the State Government's Lower Hunter Water Plan.

The investment in this project is shown in Table 8.

Table 8: Mardi High Lift Pumpstation Interconnection expenditure summary

$M ($nominal)	Total
Project Expenditure	5.8

To ensure that Council could efficiently distribute the improved southbound transfers (33ML/day) from HWC, an interconnection was required between the M2WP and the MHLPS. This allows greater distribution of higher flow rate bulk water transfers from HWC – to customers outside of the Kanwal Reservoir supply zone. The interconnection also required the installation of two additional pumps within the MHLPS (within spare pump train) to ensure correct hydraulic performance when transferring up to 33ML/day from HWC.

An overview of the project including the new interconnection pipework is provided below in Figure 3.

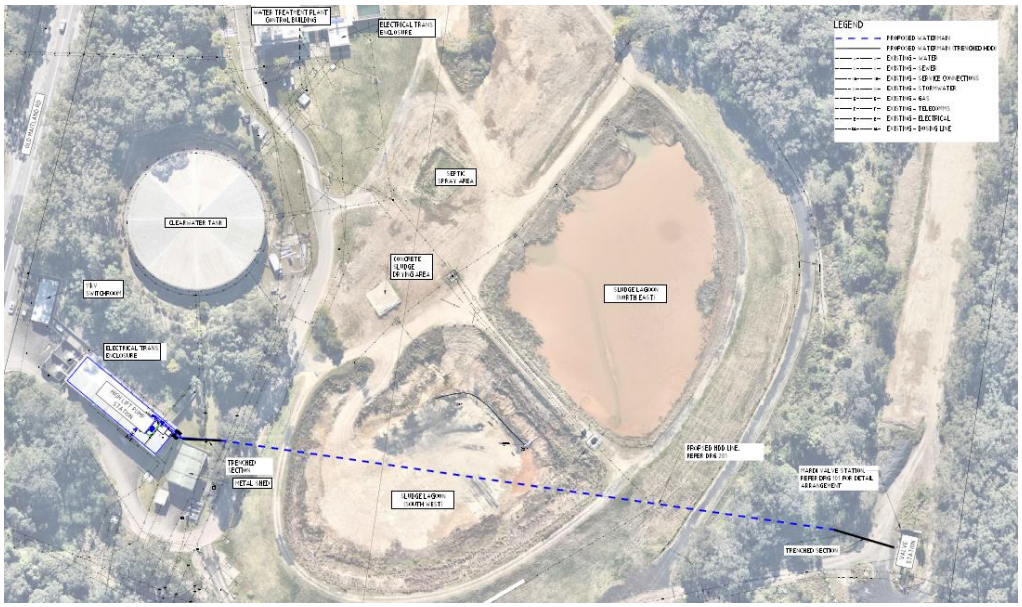


Figure 3: MHLPS interconnection overview

The project was successfully delivered within a compressed timeline to ensure its benefits were available to assist Council manage resilience risks posed by the ongoing staged shutdowns of MWTP as part of delivering the major upgrades to that site. Council's design and construction partner, Eire Constructions, were also acknowledged for the success of the project by the Civil Contractors Federation, receiving an award for excellence in civil construction as part of delivering the work.

2.2.4 Water main renewal program

Council has continued to deliver its water main renewal program to address risk and reliability issues posed by ageing Cast Iron Cement Lined (CICL) and Asbestos Cement (AC) water mains across the region. Over the current determination period Council has further developed is Pressure Main Criticality Analysis (PMCA) tool and is now using this tool to guide its prioritisation of water mains for the program. This has coincided with a shift to increasing the number of water mains replaced in each work front based on a cohort approach to achieve better delivery efficiency. Expenditure summary for the renewal program is shown in Table 99.

Table 9: Water Main Renewal Program expenditure summary

Water Mains Asset Renewal Program	2022-23	2023-24	2024-25	2025-26	Total
$M	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26
Council Proposed Expenditure	2.2	7.0	5.7	6.0	20.8
Council Actual Expenditure	4.3	5.1	5.9	5.2	20.5
*2022 Consultants recommended *p104*	0.8	5.4	5.4	5.4	17.1

Customer performance metrics for water main breaks and unplanned water outages (refer

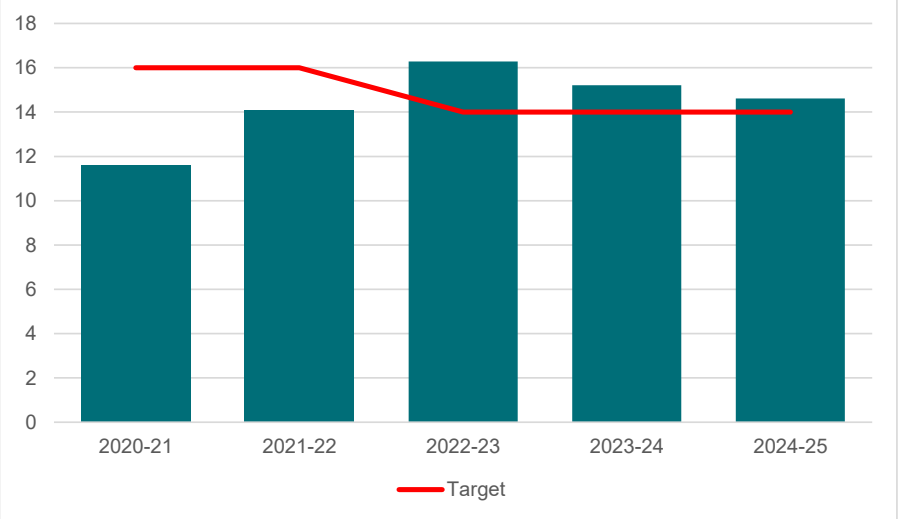


Figure 4 and Figure 5) declined over the current determination in response to continued ageing of infrastructure. The water main renewal program is seeking to scale up in response to improve customer performance and stay ahead of a future 'bow wave' of asset renewals as large cohorts of cast iron cement lined and asbestos cement mains reach the end of their serviceable life.

Council is also working on refining the use of a satellite imaging-based tool with machine learning to inform the likelihood of failure of water main assets. The tool (Rezatec) has been reviewing observed changes in vegetation density, soil moisture and other parameters versus water main break data. The tool has shown to be increasing in accuracy in assessing the likelihood of failure of water main assets and will be used as an additional input to Council's pressure main criticality analysis (PMCA) tool during the next determination period.

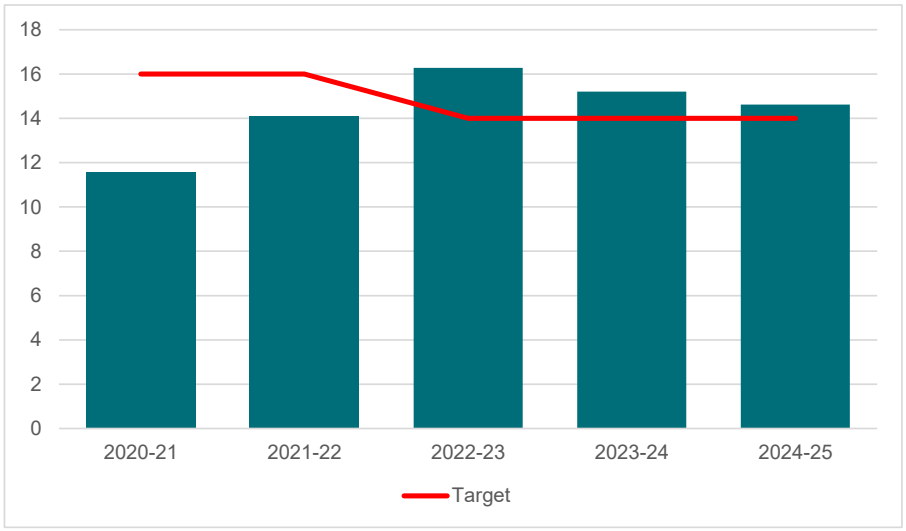


Figure 4: Water main break performance per 100 km of main trends

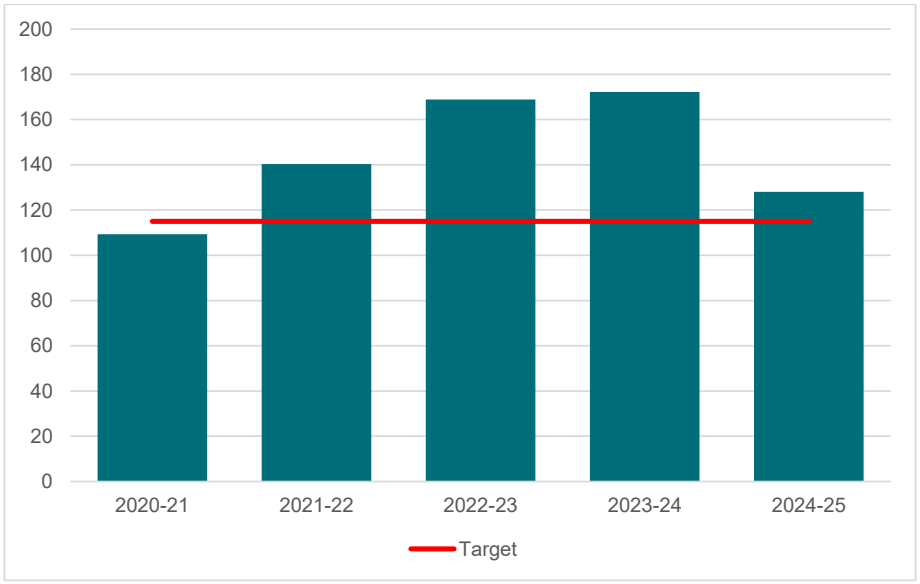


Figure 5: Unplanned water outage performance per 1,000 properties trends

2.2.5 Minor water projects

Council proposed investment of $39.1M for water renewal works in the 2022 pricing submission. (Refer Table 10 and Figure 6).

Table 10: Water Asset Renewals expenditure summary

Water Asset Renewal Delivery	Council Proposed Expenditure	Actual Expenditure
$M	**$2025-26**	**$2025-26**
Groundwater	0.2	0.0
Water Headworks	5.4	4.4
Water Mains	20.8	24.7
Water Meter	2.0	0.6
Water Network Asset	2.0	0.0
Water Pump Stations	2.8	0.7
Water Reservoir	6.7	2.7
Water Treatment Plant	2.6	0.9
Total	42.6	34.0

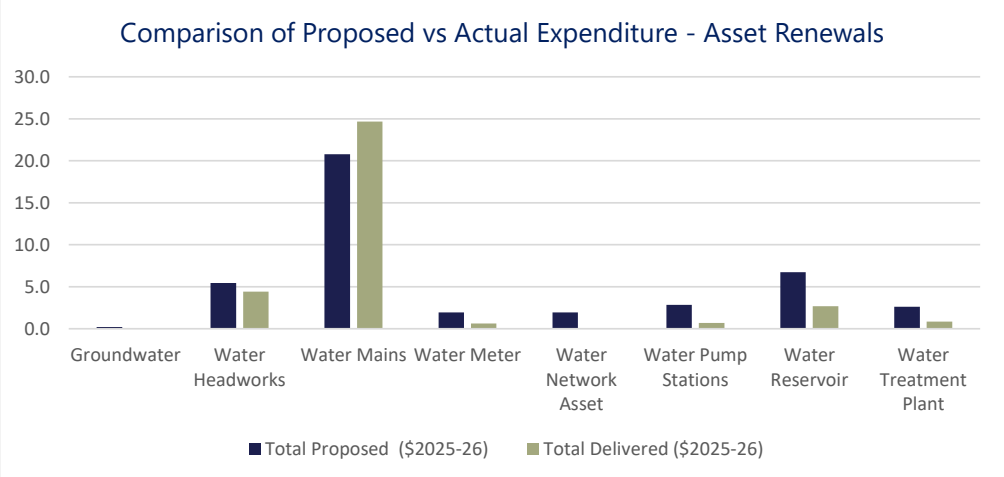


Figure 6: Comparison of proposed v actual water renewal expenditure

The key variances between Council's proposed renewal expenditure and delivery:

- An increase in the renewal of water mains was required to address service levels as discussed in Section 2.2.4 of this paper.

- The remainder of proposed works for the period were primarily reassessed for risk and were able to be deferred to allow for alternate options to be investigated.

2.3 Sewer

Council is forecasting a $80.4M over delivery of Sewer capital expenditure to IPART's 2022 Determination. This is primarily due to increases in construction costs above standardised inflation and the need to increase expenditure to address poorly performing assets within the network to mitigate risk and ensure service continuity. (Refer Table 111)

Table 11: Sewer capital expenditure summary for the current determination period

$M	2022-23	2023-24	2024-25	2025-26	Total
Sewer	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
IPART determination	35.1	35.1	49.0	64.3	183.5
Actuals/forecast	49.9	53.1	70.3	90.7	263.9
$ Variance	(14.8)	(18.0)	(21.2)	(26.4)	(80.4)
% Variance	(42.0%)	(51.4%)	(43.3%)	(41.0%)	(43.8%)

Council considers that its actual and forecast Sewer capital expenditure for the 2022 Determination is efficient:

- The primary driver for capital expenditure being higher than IPART's allowance was additional prudent and efficient expenditure to address poor performance in breaks, chokes and overflows into the environment, including a major replacement of the West Gosford Rising Main which did not form part of Council's proposed projects in the 2022 submission period, but which was required to meet EPA requirements.
- Other drivers outside Council's control include general cost increases for materials and delivery, and unforeseen site complexities in areas of indigenous significance, requiring additional services that were not envisaged in the 2022 submission period.
- Council applied appropriate project management and planning processes to deliver the program, including addressing IPART recommendations as part of the 2022 Determination.

The business was successful in receiving funding for four sewer projects. The Accelerated Infrastructure Fund (AIF), contributed $9.56M ($nominal) for the upgrade of the Gwandalan Sewage Treatment Plant and $4.61M ($nominal) for further system upgrades to the sewerage system in Gosford CBD. The Housing Acceleration Fund (HAF) which was received prior to the current pricing period and continues to fund works in the Gosford CBD and Warnervale Town Centre for water and sewer infrastructure upgrades. The funding received is forecast to partially offset the additional expenditure incurred, above IPART's 2022 Determination allowance. (Refer Table 122).

Table 12: Sewer fund capital revenue summary for the current determination period

Sewer – Funding Received	2022/2023 Capital Revenue	2023/2024 Capital Revenue	2024/2025 Capital Revenue	2025/2026 Forecast Revenue	Total
$M	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Sewer Infrastructure Reinforcements - Gosford CBD	10.86	6.53	6.75	2.39	26.53
Sewer Infrastructure - Warnervale Town Centre	0.00	2.09	0.07	2.35	4.51
Sewer System Upgrades - Gosford CBD Racecourse Precinct	3.88	1.10	0.00	0.00	4.98
Sewer Treatment Plant Major Upgrade - Gwandalan	0.14	0.30	1.07	6.58	8.09
	14.88	10.02	7.89	11.31	44.10

Key contributors to the over delivery of Sewage expenditure to IPART's allowance were major sewage treatment plant upgrades. These projects have been presented in section 4.4 *Forecast capital* as the majority of construction costs will be incurred in the forecast determination period. Other contributors are addressed in the below sections and include West Gosford Rising Main replacement which was not forecast as a major renewal project in Council's 2022 pricing submission, additional sewer main renewals to address aged infrastructure, reportable overflows, and EPA directives.

2.3.1 West Gosford major rising main replacement

The West Gosford Major (WGMJ) Sewer Rising Main (SRM) was constructed in 1986, with a total length of over 4 km. There have been three breaks in the sewer rising main in recent years the latest triggering prosecution from the Environmental Protection Agency (EPA) in 2024. Expenditure is shown in Table 13.

Table 13: West Gosford Major Rising Main expenditure summary

West Gosford Major Rising Main	2022 Determination Expenditure	2026 Determination Forecast	Total Forecast
	$2025-26	**$2025-26**	**$2025-26**
Council 2025 Proposed Expenditure	20.47	13.39	33.87

As part of commitments made during the prosecution process, Council is delivering the renewal of approximately 2.2km of the sewer main that is understood to be subject to corrosion following previous condition assessment. The extent of the proposed renewal is shown below in Figure 7.

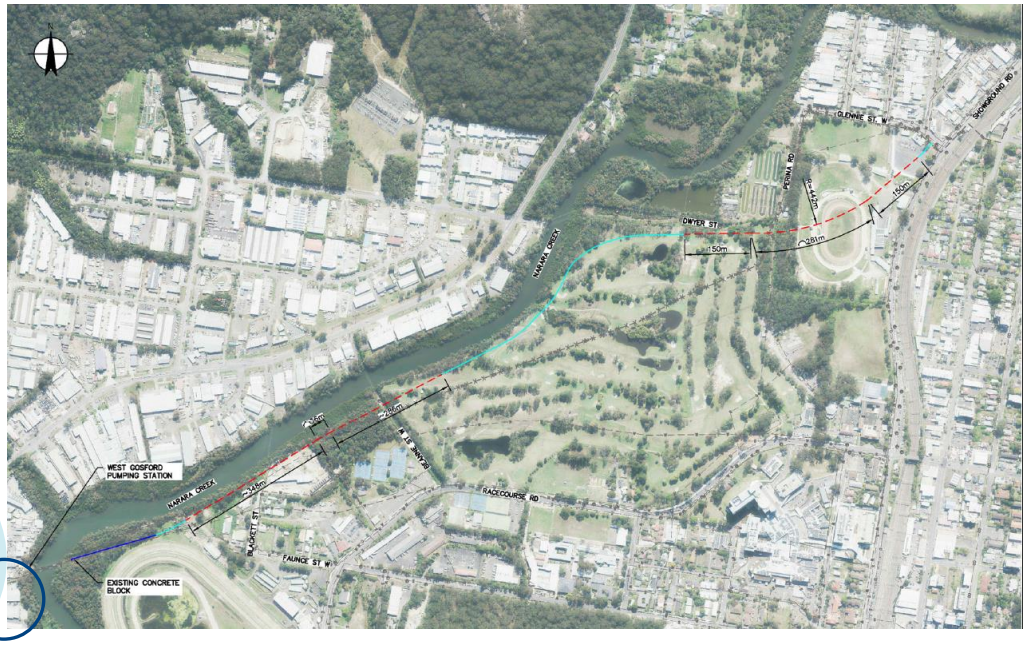


Figure 7: West Gosford major rising main replacement route alignment

The project is currently progressing through detail design, with a planned construction completion date of mid to late 2026 in line with commitments made to the NSW EPA. The construction will include a mixture of trenching and trenchless construction techniques to manage environmental and community constraints.

Due to the cost and complexity of the project a new panel has been formed to procure the construction of this, and other major projects.

2.3.2 Sewer main renewal program

Council has continued to deliver its sewer main renewal program to address risk and reliability issues posed by Vitreous Clay (VC) sewer mains and concrete manhole components impacted by tree roots. Expenditure summary refer Table 144.

Table 14: Gravity Sewer Main Renewal Program expenditure summary

Gravity Sewer Main Asset Renewal Program	2022-23	2023-24	2024-25	2025-26	Total
	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26
Council Proposed Expenditure	3.05	5.99	5.66	6.20	20.90
Council Actual Expenditure	6.89	10.30	10.49	8.15	35.84
*2022 Consultants recommended *p104*	*No change*				

Customer performance metrics for sewer main breaks and chokes have declined in the second half of the current determination period in response to increased incidents of tree root intrusion to sewer mains and precast manholes as shown in Figure 8 and Figure 9 below. The sewer main renewal program is seeking to scale up the renewal of impacted precast manholes in addition to well established gravity pipeline relining activities.

Council is also responding to risks of concrete corrosion at points in the network where sewer rising mains discharge into the gravity network. Where septic conditions develop within a sewer rising main there is a risk of concrete corrosion and Council has recently completed a condition assessment of over 1,500 manholes immediately downstream of sewer rising main discharge points to address this risk.

Council has also been developing the previously mentioned Rezatec satellite tool to improve its ability to inform the likelihood of failure of Council's sewer assets. It is planned to integrate the tool into Council's renewal program prioritisation during the next determination period.

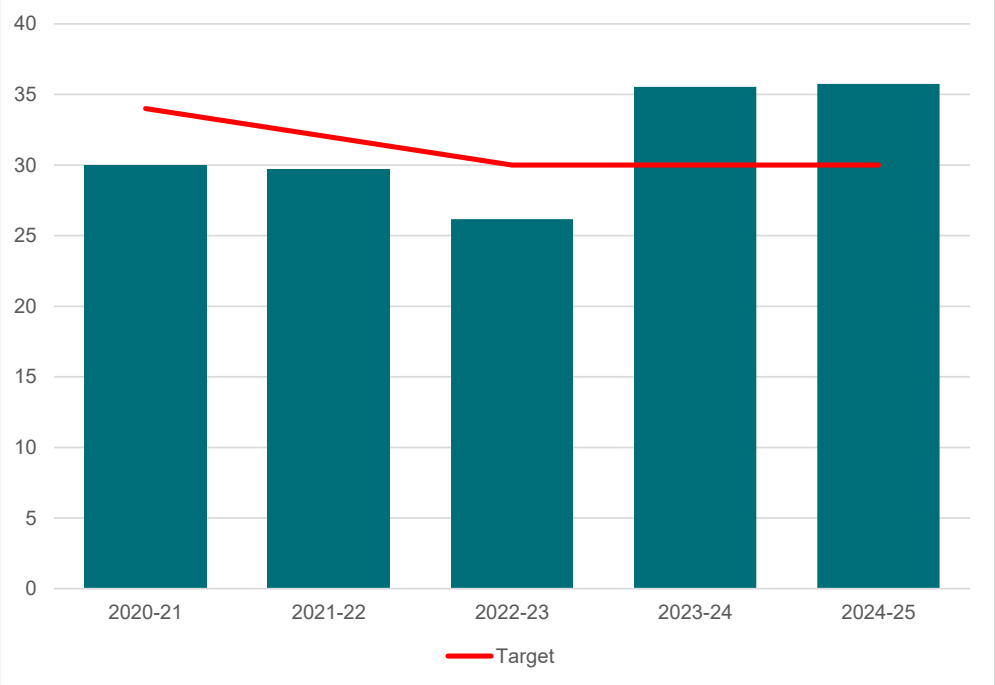


Figure 8: Sewer main breaks and chokes performance trend per 100 km of main

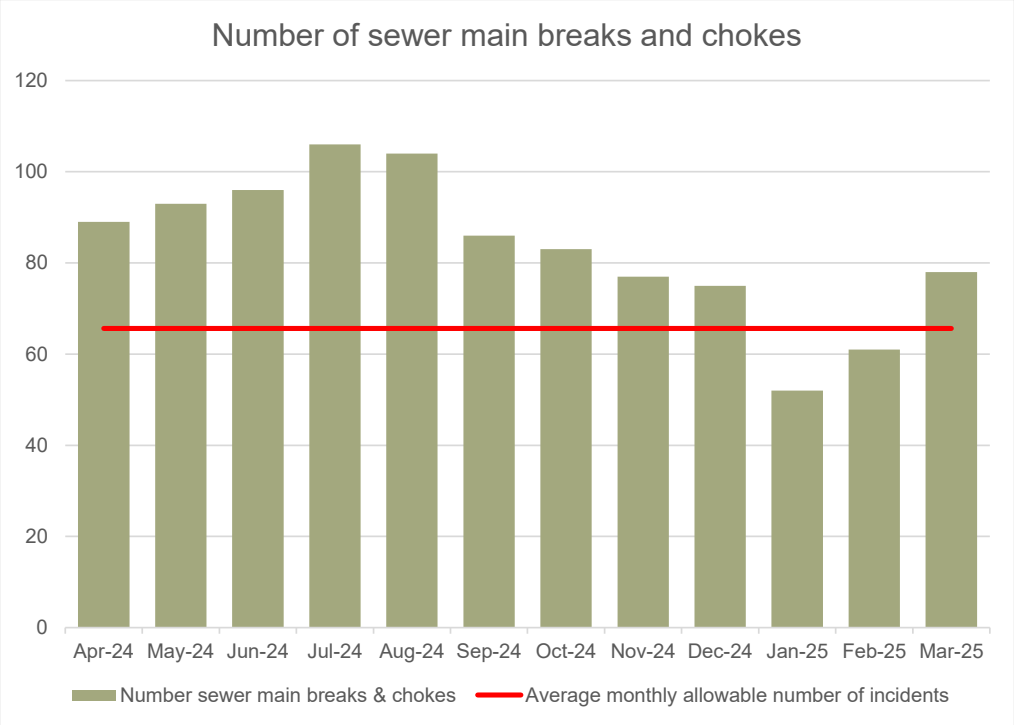


Figure 9: March 2025 sewer main breaks and chokes trend per 100 km of main

Council's Sewer Rising Main (SRM) renewal program had slowed in the middle of the current determination period, as staff focused on a series of condition assessments guided by the PMCA tool. This has since provided a reprioritisation of renewal requirements, with several rising mains proceeding through design and construction in 2025/26 FY. Expenditure summary refer Table 155.

Table 15: Sewer Rising Main Renewal expenditure summary

Sewer Rising Main Renewal Program	2022-23	2023-24	2024-25	2025-26	Total
$M	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Council Proposed Expenditure	1.85	3.48	4.35	4.24	13.93
Council Actual Expenditure (excl WGMJ SRM)	5.01	0.99	1.65	6.65	14.30
*2022 Consultants recommended *p109*	0.00	3.22	3.83	3.83	10.88

Renewals have been performed using a mix of detail design and design and construct procurement methods, typically favouring design and construct where trenchless construction methods are required to manage environmental and/or community impacts.

Rising main breaks contribute to the sewer main breaks, chokes and overflows reported to the environmental regulator performance metrics which are both currently trending unfavourable to target. They also often give rise to investigation by the environmental regulator and potential prosecution as was the case for West Gosford Major SRM.

Council is also working on refining the use of the Rezatec satellite tool to inform the likelihood of failure of sewer rising main assets though the next determination period as part of continued use of its PMCA tool.

2.3.3 Minor sewer projects

Council proposed investment of $72.7M for sewer renewal works in the 2022 pricing submission distributed across its major asset categories to address aging infrastructure and support service reliability. Expenditure summary refer Table 166 and Figure 10.

Table 16: Sewer Asset Renewals expenditure summary

Sewer Asset Renewal Delivery	Council Proposed Expenditure	Actual Expenditure
$M	**$2025-26**	**$2025-26**
Sewage Treatment Plant	13.9	11.3
Sewer Low Pressure Vacuum System	5.3	10.6
Sewer Main	34.8	71.1
Sewer Network Assets	1.9	1.2
Sewer Pump Station	23.4	26.7
Total	**79.3**	**120.8**

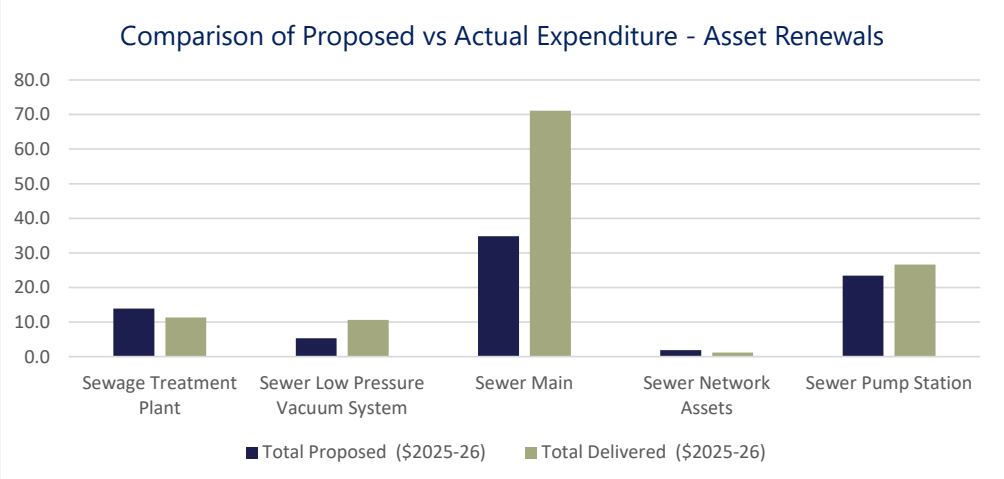


Figure 10: Comparison of proposed vs actual sewer renewal expenditure

The key variances between Council's proposed renewal expenditure and delivery:

- Some Sewage Treatment Plant forecast renewals have been included in the scoping for the major Treatment Plant Capacity upgrades to achieve efficiencies through packaging delivery of asset renewals with process upgrades.
- Renewals of low pressure and vacuum systems saw a general increase of costs for materials and delivery as well as the project encountering additional unforeseen site complexities with works occurring in areas of indigenous significance. This saw the need to engage in additional services that were predicted during the 2021-22 submission period.
- Sewer main investment increased overall to address poor performance in breaks, chokes and overflows into the environment as well as the addition of major replacement of West Gosford Rising Main which did not form part of Council's proposed projects in the 2022 submission period. More information on this project is detailed in section 2.3.1 of this paper.
- The increase of expenditure in the Sewer Pump Station category is primarily due to general cost escalation Council saw an increase in contract costs from 40% from the 2022 submission.

2.4 Stormwater drainage

Council is forecasting a $0.2M over delivery of stormwater drainage capital expenditure to IPART's 2022 Determination. This increase is primarily due to increases in construction costs above standardised inflation. An example of this is the Lakedge Avenue Drainage Upgrade project presented below. (Refer Table 17)

Table 17: Stormwater drainage capital expenditure summary for the current determination period

$M	2022-23	2023-24	2024-25	2025-26	Total
Stormwater drainage	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
IPART determination	8.8	10.0	9.4	10.0	38.2
Actuals/forecast	10.7	9.1	9.3	9.3	38.4
$ Variance	(1.8)	0.9	0.1	0.7	(0.2)
% Variance	(20.8%)	8.8%	1.6%	6.6%	(0.4%)

Council has also continued to update its asset condition data during the determination period – and when justified, this has required the reprioritisation of capital projects to address poorly performing assets, mitigate risk and ensure service continuity. As a result of this process three critical assets were identified as requiring prioritised replacement based on external structural consultant advice – drainage culverts at Yakalla Street Shelly Beach, Rushby Street Bateau Bay and Lakedge Avenue Berkeley Vale.

To enable timely delivery of these projects and remain within budget, other stormwater drainage projects were deferred to future financial years

2.4.1 Lakedge Avenue, Berkeley Vale from Jean Drive to Shannon Parade and Aloha Drive to Platypus Drive – Drainage Upgrade

Table 18: Lakedge Avenue drainage upgrade expenditure summary

Lakedge Ave – Drainage Upgrade	2022/2023 Expenditure	2023/2024 Expenditure	2024/2025 Expenditure	2025/2026 Forecast	Total
$M	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Council 2021 Proposed	2.4	1.6	2.5	2.1	8.7
Council Actual Expenditure	2.1	2.5	2.9	1.7	9.1
Variance to IPART Determination	-0.4	0.9	0.4	-0.4	0.4

The construction cost has exceeded initial project estimates primarily due to increases in construction costs exceeding standardised inflation estimates – refer Table 188. The increase in cost is also attributed to the extent of acid sulphate soils encountered onsite which exceed forecasts based on the level of testing completed prior to the works.

2.4.2 Yakalla Street, Shelly Beach - Culvert Renewal

Table 19: Yakalla Street culvert renewal drainage expenditure summary

Yakalla Street – Culvert Renewal	2022/2023 Expenditure	2023/2024 Expenditure	2024/2025 Expenditure	2025/2026 Forecast	Total
	$2025-26	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Council 2021 Proposed	0	0	0	0	0
Council Actual Expenditure	0.3	0.9	1.0	0.0	2.3

This priority project was identified via Council's critical asset inspection programs. The inspections highlighted that the culverts were displaying signs of accelerated deterioration. External consultant structural engineering advice was obtained to investigate options and recommend short-, medium- and long-term actions.

This resulted in a recommendation to prioritise the replacement of the asset within three years.



Figure 11: Yakalla Avenue culvert looking downstream prior to replacement

The replacement project was immediately placed into a design development phase and the culvert has now been replaced in full with a modern equivalent concrete culvert design.



Figure 12: Yakalla Avenue culvert looking upstream following project completion

2.4.3 317 Lakedge Avenue, Berkeley Vale - Culvert Renewal

Table 20: 317 Lakedge Avenue culvert renewal drainage expenditure summary

317 Lakedge Avenue – Culvert Renewal	2022/2023 Expenditure	2023/2024 Expenditure	2024/2025 Expenditure	2025/2026 Forecast	Total
$M	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Council 2021 Proposed	0	0	0	0	0
Council Actual Expenditure	0.3	0.9	1.0	0.0	2.3

This priority project was identified via Council's critical asset inspection programs. The inspections highlighted that the culverts were displaying signs of accelerated deterioration. External consultant structural engineering advice was obtained to investigate options and recommend short-, medium- and long-term actions.

This resulted in a recommendation to prioritise the replacement of the asset within three years.



Figure 13: 317 Lakedge Avenue culvert looking downstream prior to replacement

The replacement project was immediately placed into a design development phase. The detail design and construction procurement has now been completed. The contract has been awarded and construction commenced in July 2025.

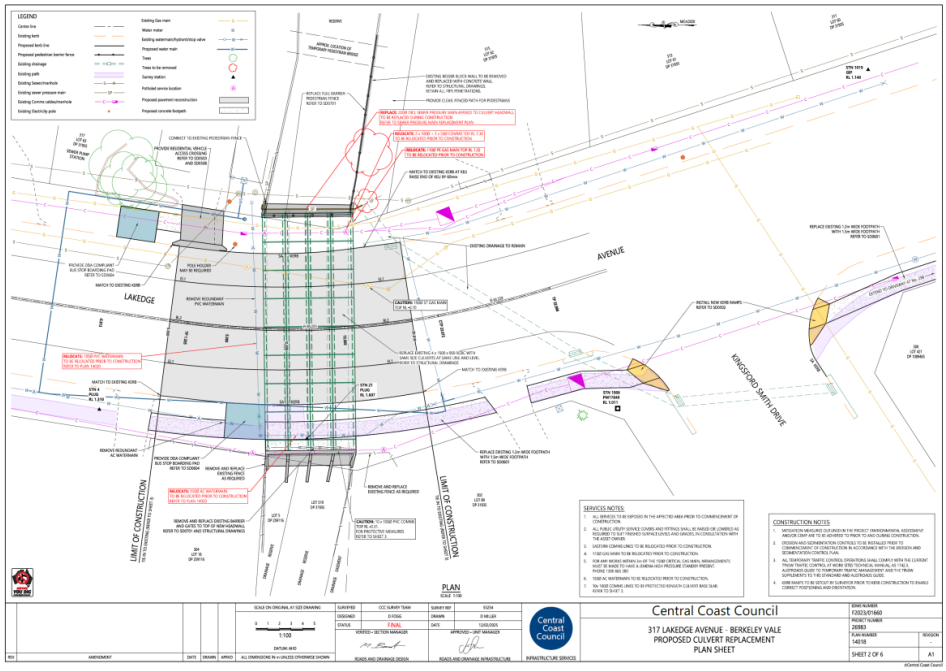


Figure 14: 317 Lakedge Avenue culvert replacement detail design plans

2.4.4 Rushby Street, Bateau Bay - Culvert Renewal

Table 21: Rushby Street culvert renewal drainage expenditure summary

Rushby Street - Culvert Renewal	2022/2023 Expenditure	2023/2024 Expenditure	2024/2025 Expenditure	2025/2026 Forecast	Total
$M	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**	**$2025-26**
Council 2021 Proposed	0	0	0	0	0
Council Actual Expenditure	0.3	0.9	1.0	0.0	2.3

This priority project was identified via Council's critical asset inspection programs. The inspections highlighted that the culverts were displaying signs of accelerated deterioration. External consultant structural engineering advice was obtained to investigate options and recommend short-, medium- and long-term actions.

This resulted in a recommendation to prioritise the replacement of the asset within three years.



Figure 15: Rushby Street culverts looking upstream and showing the structural failure in the arch

The replacement project was immediately placed into a design development phase. The project is now in the detail design phase with construction forecast to commence in 2025/26.

3 Investment planning

3.1 Overview

Council's investment planning processes ensure that investment decisions are aligned to its investment drivers and strategic direction whilst managing risks to its operations.

The Water and Sewer Directorate seeks to align its outcomes within the overall Council community vision and objectives. Prioritisation of identified investment needs is undertaken to ensure that Council provides a value for money service to its customers.



Figure 16: Project ideation overview

Candidate projects that are developed from the ideation pipeline (Figure 16) are assessed within a gated investment process known as the Water and Sewer Project Lifecycle. This process is overseen by the Water Investment Review Committee, with management representation from asset planners, deliverers, operators, and maintainers. This process is outlined in Figure 17 and described in Section 5 Investment Governance.

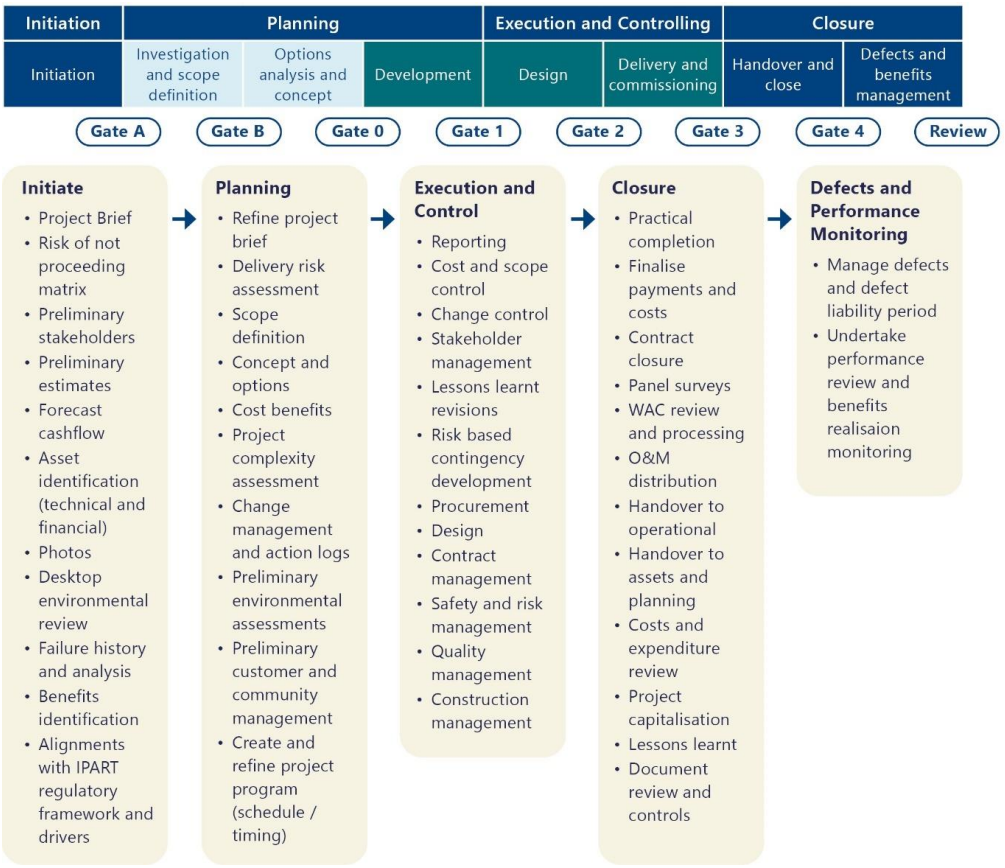


Figure 17: Water and Sewer Project Lifecycle

While there may be numerous candidate project proposals seeking to pass through the gated process, the Water and Sewer project prioritisation process is required to assess the risk of deferral of each proposal. This is required to determine which projects can continue to pass through each gate in consideration of available resources and budgets. The prioritisation process is described in Section 5 Investment Governance.

3.2 Investment objectives

Council's investments are planned and delivered as part of balancing performance, cost and risk across Council's water and sewer assets, in consideration of its customers' values.

3.3 Strategic objectives

Water and Sewer's strategic focus areas and associated objectives are described in its Strategic Business Plan 2022-26 and outlined below:

- Utilise asset management to drive decision making
    - Build and maintain assets that support our customers' needs
    - Maximise the value of our customers' Water and Sewer assets
- Streamline systems and processes to increase efficiency, resilience, and reliability
    - Simplify our way of doing business
    - Provide trusted information and data to support good decision making
- Build an empowered workforce that proudly delivers customer focused outcomes
    - Develop an empowered workforce that is skilled, empowered and engaged
    - Strengthen leadership capability and impact
    - Build a service focused, productive and collaborative culture
- Invest customers money responsibly and transparently
    - Strengthen financial education and skill
    - Improve service delivery with financial planning and reporting
- Improve internal collaboration and be a trusted partner to our customers and key stakeholders in service delivery
    - Build strong internal service relationships, partnerships, and collaboration
    - Deliver on our promises to customers
    - Maintain and strengthen key stakeholder partnerships.

3.4 Customer objectives

Council has continued ongoing engagement with its customers over the current determination period. Through this engagement, the participants identified and developed the following values and desired outcomes (refer Figure 18).



Figure 18: Water and Sewer customer values and outcomes

3.5 IPART's investment drivers

An outline of each of IPART's expenditure driver is provided in Table 22 below, with a summary of planned expenditure within each asset class, related to the expenditure drivers provided in Section 5.

Table 22: Current determination expenditure summary by IPART investment driver

Current Determination Expenditure $M	2022-23 Expenditure	2023-24 Expenditure	2024-25 Expenditure	2025-26 Forecast	Total
	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26
Renewals	37.4	42.9	71.4	85.5	237.2
Growth	34.1	37.4	41.2	42.4	155.0
Compliance	0.4	5.0	3.0	4.3	12.7
Improvements	0.0	0.0	0.0	0.0	0.0

3.5.1 Renewals

The renewals driver is associated with providing a reliable water and sewer service to our customers. Council must renew the right assets, at the right time, to achieve a suitable balance of performance, cost, and risk to its customers.

Council has undertaken a variety of condition assessment programs throughout the current determination period to better understand the overall condition and risk profile of its assets. Tools such as Council's Pressure Main Criticality Assessment also guide the prioritisation of assets within the renewal programs.

3.5.2 Growth

The growth driver considers upgrades to existing assets or the provision of new assets to meet the needs of a growing region. These investments ensure new and existing customers receive an appropriate level of service for considerations such as water security, water pressure and sewer overflow performance with increasing loads.

Council works closely with the development sector to understand where key lead-in/lead-out works can be integrated as part of the land subdivision and local utility provision process. Works In Kind Agreements (WIKA) may be determined with lead developers to ensure these relevant greenfield assets are provided at the right time and realise efficiencies with associated subdivision delivery activities.

Council's Water Security Plan outlines future investment options to manage the bulk water supply/demand balance. The Water Supply and Sewerage Development Servicing Plans (DSP) (2024) then provide an overview of future growth requirements within the region's treatment and network assets to manage a growing population.

The Central Coast Water and Sewer Master Plan (CCWSMP) is currently under development and will provide a holistic update of treatment and network planning based on current population forecasts and updated asset modelling and master planning. The outcomes of the CCWSMP will inform the next update of the DSPs, while also guiding future asset upgrades being implemented in the upcoming price path.

3.5.3 Improvements

The improvements driver relates to the improvement of customer service levels and reliability to meet customer preferences.

3.5.4 Compliance

The water industry is heavily regulated, and the compliance driver considers expenditure required to meet existing or new regulatory/legislative requirements. This can require the upgrade of existing or the creation of new assets across various asset classes. Expenditure summary in Table 233.

Key compliance drivers for the upcoming price path include:

- Dams Safety NSW Regulation
- Workplace Health and Safety
- Australian Drinking Water Guideline and Recycled Water Guidelines
- Environmental Protection Licenses for Sewerage Schemes.

Table 23: Next determination expenditure summary by IPART investment driver

Forecast Determination Expenditure $M	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast	Total
	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26
Renewals	43.8	45.3	41.6	50.3	54.8	235.8
Growth	113.3	94.3	47.4	52.2	17.6	324.7
Compliance	3.1	10.3	3.9	0.0	0.0	17.3
Improvements	0.0	0.0	0.0	0.0	0.0	0.0

3.6 Strategic planning

As a Local Water Utility (LWU), Council is required to demonstrate effective, and evidence based strategic planning in line with the *'Regulatory and assurance framework for local water utilities 2022*. This framework is managed by the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) and focuses on 12 outcomes that a LWU should address to a reasonable standard. The outcomes are a combination of technical and business enabling and are shown in Figure 19.



Figure 19: DCCEEW strategic planning outcomes

Council is currently working towards the framework and intends to use a combination of technical and business enabling documents to demonstrate effective strategic planning. The current proposed document hierarchy is shown in

20.

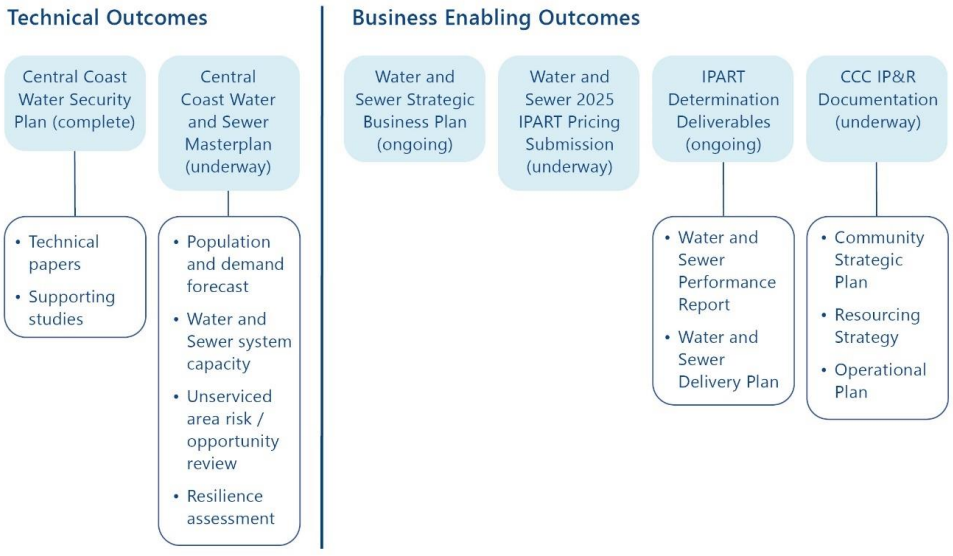


Figure 20: Council proposed Strategic Planning Assurance Document Hierarchy

The first phase in the delivery of the technical outcomes associated with the above framework was developing the Central Coast Water Security Plan (CCWSP). The second phase is the development of the Central Coast Water and Sewer Master Plan (CCWSMP). The CCWSMP is currently under development and will focus on treatment and network planning using recently available hydraulic models, population forecasts and spatial distribution of growth across the region. The planning will also include a system resilience assessment and allow assessment of options within a holistic decision-making framework that aligns to the objectives of the CCWSMP as well as the themes within the Council's Community Strategic Plan. At the conclusion of the CCWSMP, Council will have developed a preferred servicing pathway for new and upgraded assets over a 30-year horizon.

While the CCWSMP is being developed, Council is still required to make investment decisions for a variety of growth-related projects or the renewal/upgrade of existing facilities. To support these decisions reference is made to a variety of previous strategies, with retesting of key assumptions to ensure the right assets are provided at the right time. These include the Water Supply and Sewerage Development Servicing Plans, Gosford Water and Sewerage Master Plan Strategy and various treatment and network master planning strategies.

To support these improvements to Water and Sewer Strategic Planning, a focused Water Planning Team has been developed. This team includes planning engineers, a data analyst and technical officer and is responsible for undertaking network and treatment asset analysis and guiding the creation of capital works projects arising from those investigations, including the CCWSMP. This team also administers the various hydraulic modelling tools that assist both asset planners and asset operators make informed decisions about the planning and operation of water and sewer systems.

3.7 Asset management

Strategy 1 within the Water and Sewer Strategic Business Plan (WSSBP) is to 'Utilise asset management to drive decision making'. The focus of this strategy is described as:

- *We will build and maintain our assets to support our customers' needs as well as ensuring the performance is maximised.*
- *We will implement the recommendations made by IPART in the 'Improving Performance' Information Paper. In addition, we will implement asset management and project management strategies that ensure that the assets provide maximum value and meet our customers' needs now and into the future.*

The two objectives identified within this strategy are to:

- Build and maintain assets that support our customers' needs, and
- Maximise the value of our customers water and sewer assets.

The Strategy states as an objective, that Council needs to strategically manage its assets to operate the asset base at the lowest lifecycle cost, while planning for the changing and

future community needs and supporting growth in the region in a financially sustainable manner. In support of this objective, Council is optimising investment in assets through:

- Development and implementation of a Strategic Asset Management framework to support a capital works pipeline.
- Implementation of an Asset Management Continual Improvement Plan.
- Implementation of a decision-making framework based on extracting the long-term maximum value from assets for the community benefit.
- Adoption of an approach to asset renewals that is driven by consideration of all relevant factors - asset condition, demand factors, functional demands, etc.
- Engagement with the community regarding levels of service to be provided or supported through a financially sustainable asset base.

The Water and Sewer asset management framework identifies the key plans and strategies that enable the above objectives to be met, while guiding the development of the capital works program. The key asset management document hierarchy is outlined below in Figure 21.

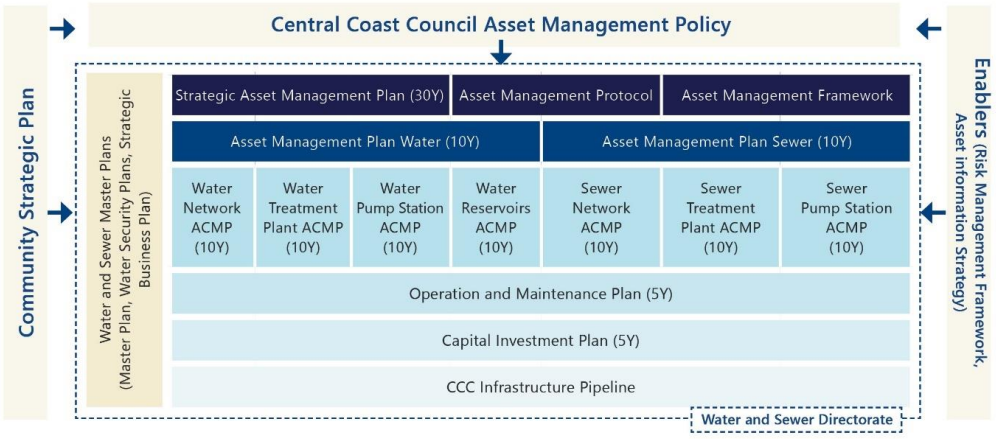


Figure 21: Water and Sewer asset management document hierarchy

3.8 Asset management maturity review and improvement plan

In 2022 Council undertook a maturity assessment of its Water and Sewer asset management practices against the Global Forum on Maintenance and Asset Management (GFAM) and the Institute of Asset Management's (IAM) 6-box model. This involved three workshops facilitated by AECOM which assessed Council's maturity against the 39 areas within the model, and the criticality of those areas to Council and can be seen in Figure 22 below.

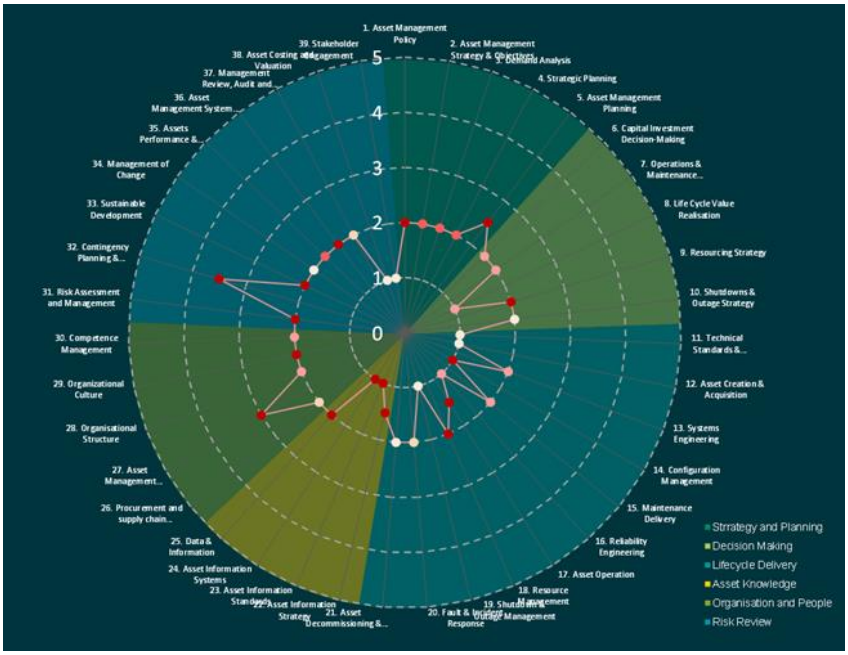


Figure 22: 2022 Water and Sewer asset management maturity assessment

Following the initial review, Council is now implementing an Asset Management Improvement Plan (AMIP) which aims to drive the Water and Sewer Directorate towards a rating of 'competent' across the 39 asset management areas as outlined in the IAM Maturity Gap Analysis that also encapsulates the 6-box areas.

The Improvement Plan also identified six asset management strategic objectives which are outlined in Figure 23 below.



Figure 23: Asset Management Improvement Plan Objectives

The current focus areas of the AMIP that will improve capital investment planning outcomes for our customers include:

- Aligning the water and sewer asset management framework with the Council's organisational objectives
- Creation of prioritised works program; scoping and budgeting for proposed capital works (obtaining specialist advice if necessary) working with WSAMIP PCG concurrence and its Investment Committee
- Monitor project nominations for the Capital Delivery Program, obtain approvals, commission new work, or liaise with water investment review committee if required.

To support these improvements to Water and Sewer Asset Management, a focused Water Asset Management Team has also been developed. This team includes asset engineers, data analysts and a technical officer and is responsible for preparing asset management plans and strategies, undertaking targeted asset condition assessments, and guiding the creation of capital works projects arising from those investigations, including long term renewal strategies. This team also administers the Technical Asset Register that assist both asset planners and asset operators make informed decisions about the planning and maintenance of water and sewer systems.

3.9 Asset management driving capital works

As part of Council's asset management improvement journey, a range of criticality and condition assessment programs have commenced that guide the development of renewal and upgrade programs.

Treatment plant condition and performance assessment program

The focus of the process performance assessments is on operational improvements, asset renewals and minor upgrades to maximise the performance of the existing assets, rather than major augmentations which will instead be guided by the Central Coast Water and Sewer Master Plan. However, where assets are at the end of their life and require replacement as determined by the condition assessment, preferred options for upgrades/replacement are considered and a prioritised renewal program is created from these assessments.

Water and sewer pump station condition assessment program

The objectives for the pump station condition assessment programs are:

- Review the condition and serviceability of the pump stations civil structures, mechanical and electrical assets and metal; including any Odour Control Units along the length of associated rising/trunk main and vent at discharge manholes for SPSs
- Identify risks emerging in terms of not being able to meet performance objectives due to asset deterioration or non-performance of assets
- Reduce operational, environmental, WHS and public health and safety risk
- Reduce critical infrastructure and third-party property damage risk
- Comply with the objectives of the Environmental Protection Licences
- Highlight and prioritise refurbishment work
- Provide a register on the overall condition and remaining useful life of the WPSs, SPSs, OCUs, and sewer vents
- Identify maintenance and operations adjustments that can extend asset life.

Criticality, condition assessment and renewal program for water mains, pressure and gravity sewer mains

The condition assessment of water and sewer mains is undertaken to:

- Assist in root cause failure analysis
- Determine remaining asset life
- Improving the accuracy of the risk rating of individual pipes or pipe sections
- Understand criticality of assets
- Inform decision making for capital renewal programs.

These considerations are important for the current and future management of these linear assets to ensure that Council is identifying the right balance between risk, cost, and performance for these mains. This enables Council to make optimal whole of life asset management decisions supported by the right asset information.

3.10 Water resilience

The Central Coast Water Security Plan June 2023 is an adaptive plan that aims to manage the supply and demand balance for the Central Coast's water supply scheme. The plan seeks to manage risks and uncertainty within a growing population and a changing climate and was delivered in cooperation with the NSW Government and in close collaboration of the Lower Hunter Water Security Plan.

The plan presents three key pillars to manage the supply and demand balance as shown below in Figure 24.



Figure 24: CCWSP Pillars

Council's current initiatives are focused on operational planning and resolving risk/uncertainty within the preferred portfolio of options. The renewal and upgrade of existing recycled water schemes is also currently under planning to allow the schemes to continue to deliver water to existing customers in line with the National Guidelines for Water Recycling.

3.11 Growth planning

Council continues to provide new and upgraded assets to meet the needs of a growing region. These assets are either delivered by Council (brownfield and major projects) or by the lead developer (greenfield lead in/out works) under Works in Kind Agreements (WIKA). Council seeks grant funding for growth related infrastructure projects when available, with programs such as the Housing Acceleration Fund and Accelerated Infrastructure Fund offsetting the cost of key projects in the current determination period.

Delivery of the Warnervale Town Centre and Gosford CBD enabling infrastructure has been the focus of the current determination period with over $45M of infrastructure delivered. A range of new greenfield water and sewer assets have also been delivered across various development sites under WIKA's, totalling approximately $25M over the current determination. Other previously forecast growth projects have not hit their development triggers over the determination and their timing will be reassessed under the Central Coast Water and Sewer Master Plan (CCWSMP).

Key growth-related projects being delivered in the next determination period include:

- Charmhaven Sewage Treatment Plant Upgrade
- Gwandalan Sewage Treatment Plant Upgrade
- CH12 Sewer Rising Main and Sewer Pumpstation Upgrade
- Kiar Ridge Water Supply Reservoir.

Existing projects have been guided by previous planning studies, master plans or developer servicing strategies. Council is now developing the CCWSMP which will consider the most recently prepared population and dwelling forecasts to determine a preferred 30-year investment pathway for network and treatment assets. This will also include a review of currently un-serviced villages and nomination of the future water supply and sewer servicing areas.

Council's Development Servicing Plans (DSPs) and associated developer charges are next due for update in 2030 and will be able to incorporate the outcomes of the CCWSMP to ensure developers continue to contribute their share of future infrastructure costs.

4 Proposed capital investment

4.1 Overview

Council is proposing $577.8M of capital investment over the coming five-year price path. This is an increase from the 2022 determination's annual average allowance of $73.9M to a forecast annual average of $115.6M. [3](refer Table 244 and Table 255).

Council's first draft proposed 5-year program totalled an average of $135.6M per annum. This included projects already committed in the current determination, forecast renewal works, rectifying identified defects within the network, growth driven upgrades and a forecast for assets predicted to fail within the proposed determination period. Council performed further refinements and reprioritised its program, focusing on deliverability of works, factoring resources both internal and current market trends as well as community preferences of keeping costs for the customer low to ease cost-of-living pressures within our community and the risk of projects not proceeding. Further refinements of budget estimates and smoothing of expenditure over the period occurred, which resulted in the revised program.

Council's forecast capital investment was developed using several scenarios in a combined top down/bottom-up approach, building an investment profile based on levels of acceptable risk, prioritising projects, and renewal programs within a desired expenditure range to minimise future bill impacts.

Current continuing projects are projects that have already commenced in the current period with works continuing into the upcoming period. These projects were prioritised as they are progressing and are expected to be in construction by 30 June 2026.

Projects supporting growth and development form part of Council's Developer Servicing Plans and are required to service new development and growth within the region. These projects are considered mandatory and must be undertaken by Council when capacity requirements trigger system upgrade works.

Asset Management driven programs allow Council to replace aged infrastructure that has reached the end of its serviceable and operable life. Council undertakes progressive prioritisation reviews of assets within each asset category reviewing age, location, risk of failure, physical condition, history of asset failures and operability to identify assets that require investment through renewal or upgrade.

[3] Represented in $2025-26

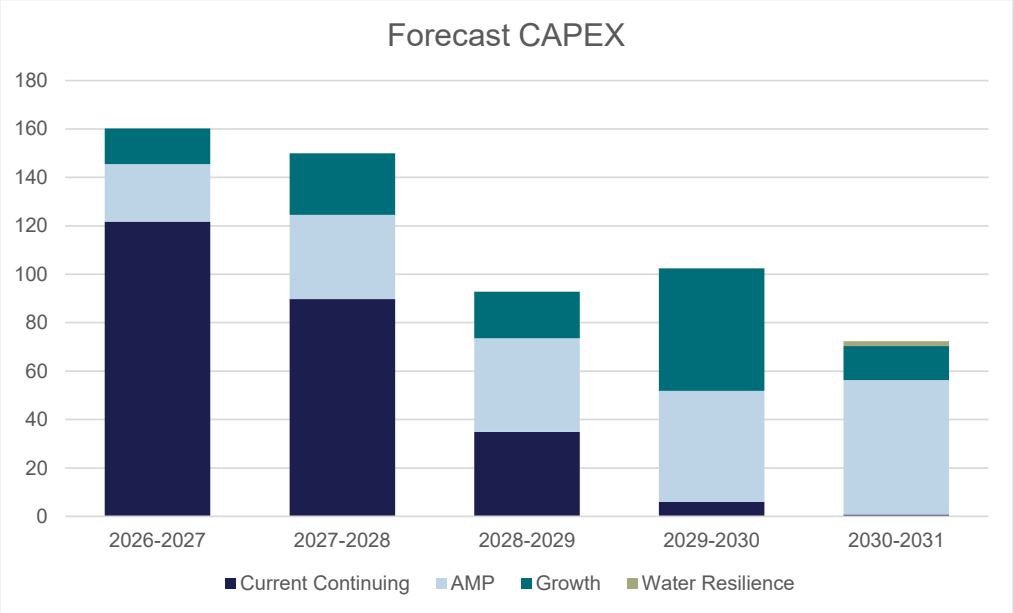


Figure 25: Forecast capital expenditure by project type

Table 24: Proposed water capital investment forecast ($2025-26)

Water $M	2026-27	2027-28	2028-29	2029-30	2030-31	Total
	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26
Current Continuing	2.2	0.3	0.0	0.0	0.0	**2.4**
Asset Management Driven Projects	9.8	14.9	16.6	20.5	23.3	**85.2**
Projects Supporting Growth and Development	0.2	4.0	4.9	10.4	3.8	**23.2**
Water Security and Resilience	0.0	0.0	0.0	0.0	2.0	**2.1**
Total	**12.2**	**19.1**	**21.6**	**30.9**	**29.1**	**112.9**

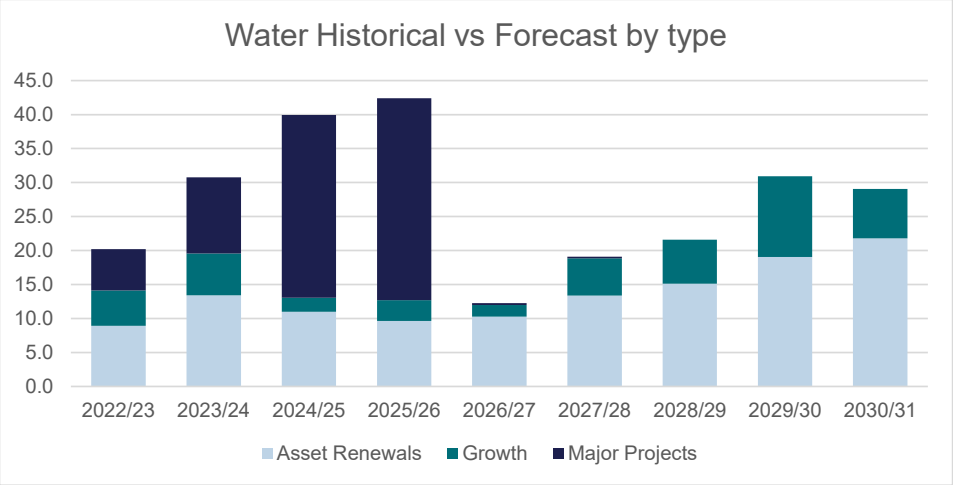


Figure 26: Forecast water capital expenditure by project type

Investment in asset renewals is forecast to increase in the coming determination period. This is to allow for the renewal of water assets that are reaching the end of their operable life and to replace assets deemed in poor condition.

Table 25: Proposed sewer capital investment forecast ($2025-26)

Sewer $M	2026-27	2027-28	2028-29	2029-30	2030-31	Total
	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26	$2025-26
Current Continuing	119.6	89.5	34.9	6.0	0.8	**250.8**
Asset Management Driven Projects	13.9	19.9	22.1	25.2	32.2	**113.2**
Projects Supporting Growth and Development	14.5	21.5	14.3	40.3	10.3	**100.9**
Total	**148.0**	**130.9**	**71.3**	**71.5**	**43.3**	**464.9**

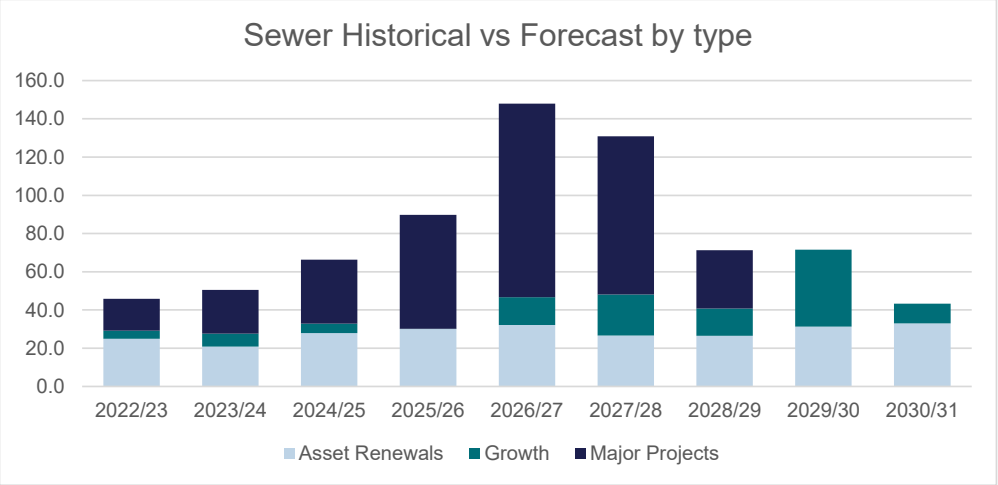
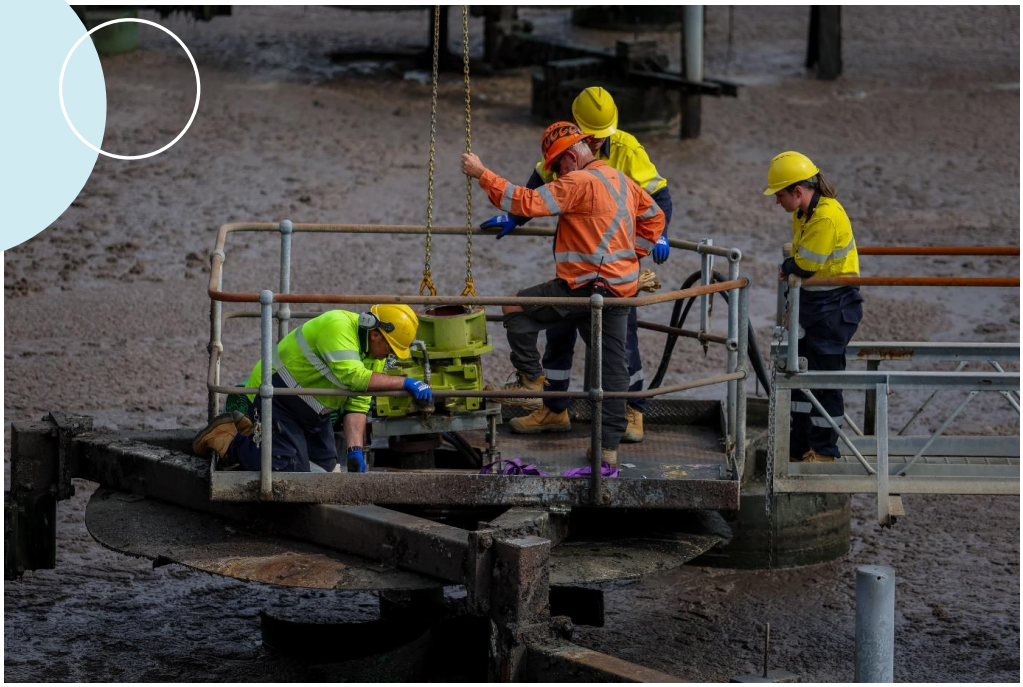


Figure 27: Forecast sewer capital expenditure by project type

Investment in asset renewals is forecast to remain consistent with historical spend patterns in the coming determination period.



4.2 Customer values

Council's proposed capital projects have been mapped within the Customer's values and in consideration of the associated outcomes for our water and sewer products. While individual projects may align with multiple customer values, there were key themes within both the water and sewer programs.

Effective planning through the provision of new/upgraded assets for a growing region, renewal of ageing infrastructure to improve the reliability of assets towards customer performance targets and improving the quality of treatment were the three key themes across each program. A summary of proposed expenditure by the primary customer value is provided in Table 266 and Table 277.

The environmental focus value was intrinsic to most projects, particularly within the sewer program, as part of Council improving the reliability of its network and treatment assets.

Council also continues to seek government grants where appropriate to fund capital works and reduce the cost to its customers in consideration of the affordability value.

Table 26: Proposed water capital expenditure by customer value

Water $2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Effective planning	1.1	4.0	4.9	10.4	5.8	26.2
Good Quality Water	0.3	0.3	0.0	0.0	0.0	0.5
Reliable service	10.8	14.9	16.6	20.5	23.3	86.2

Table 27: Proposed sewer capital expenditure by customer value

Sewer $2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Effective planning	110.5	88.8	40.9	40.3	10.3	290.8
Quality treatment	5.1	13.7	10.5	9.1	11.1	49.5
Reliable service	32.4	28.3	19.8	22.1	21.9	124.6

4.3 Asset management driven programs

The key customer value of reliable service is being addressed through an ongoing program of asset renewals - across mechanical, electrical and civil asset types. These programs are required to manage the risks posed by Council's ageing infrastructure – particularly mechanical and electrical assets.

The renewal programs are also required to continue to improve performance of various customer metrics towards the relevant targets. Unfavourable customer performance metrics as of June 2025 included:

- Water main breaks
- Number of unplanned water outages
- Sewer main breaks and chokes
- Sewer overflows reported to the environmental regulator.

Each of the above performance metrics requires ongoing capital investments to improve performance, in addition to improvements in operation and maintenance practices.

The renewal programs are informed by various asset condition assessment programs that have been undertaken during the current determination period. These programs were completed across several asset classes and aim to improve Council's understanding of asset condition and improve the prioritisation of each of the renewal programs. Asset classes subject to increased condition assessments over the current determination period include:

- Water treatment plants
- Water pump stations
- Water reservoirs
- Sewer mains
- Sewer pump stations
- Sewage treatment plants.

4.4 Major projects

Council is continuing the delivery of major projects during the next determination period in alignment with the customer values of effective planning and environmental outcomes. Council is also planning to commence the delivery of the Kiar Ridge Reservoir in response to active development in the Northern Growth Corridor.

4.4.1 Kiar Ridge reservoir

Kiar Ridge Reservoir (KRR) is a proposed water supply reservoir that will provide security of supply to greenfield development within the Wyong Employment Zone (WEZ), Warnervale Town Centre (WTC) and proposed development at Bushells Ridge as identified in the Central Coast Regional Plan 2041. The KRR was originally identified in Water Distribution System Planning undertaken in the mid 2000's, with the slower than forecast rate of growth within the Greater Warnervale Area allowing its deferral since.

Development of the reservoir follows the previous delivery of the Mardi to Warnervale Pipeline which has enabled the initial stages of the Warner Industrial Park to be delivered. Council is seeking to secure land tenure over one of two preferred sites over the next two years, while delivery of the CCWSMP will confirm the most efficient reservoir volume and potential for staging. Design and construction phases would follow over the course of the next determination period.

4.4.2 Charmhaven sewage treatment plant

The Charmhaven Sewage Treatment Plant (CSTP) Major Upgrade Project is currently in the delivery phase to meet current performance issues and future population projections. CSTP was commissioned in 1988 with limited capital expenditure since. Most of the infrastructure including pipework, mechanical equipment and electrical switchboards at the site are the original equipment. The original design capacity was 40,000 Equivalent Persons (EP) per day. However, a capacity assessment review (GHD, 2021) estimated the operational capacity at 32,600 EP due to a range of constraints at the site. The current estimated serviced population exceeds 45,500 EP and is the main driver for ongoing breaches of the Toukley Sewage Treatment System Environmental Protection License (EPL 2647).

A major upgrade is required to provide capacity for the current connected population and forecast growth in the medium term. The upgrade also aims to minimise the risks of offsite odour impacts on nearby growth precincts, while leaving sufficient remaining footprint for future augmentations for future growth within the catchment.

As of 30 June 2025, the detailed design has been completed by GHD, with construction forecast to commence early 2026. The 75,000EP capacity projected out to 2041 has been adopted for the current augmentation, with footprint allowance made to duplicate the treatment capacity to an ultimate population projection of 150,000EP. The extent of works at the site is shown below in Figure 28. Summary of expenditure is shown in Table 288.

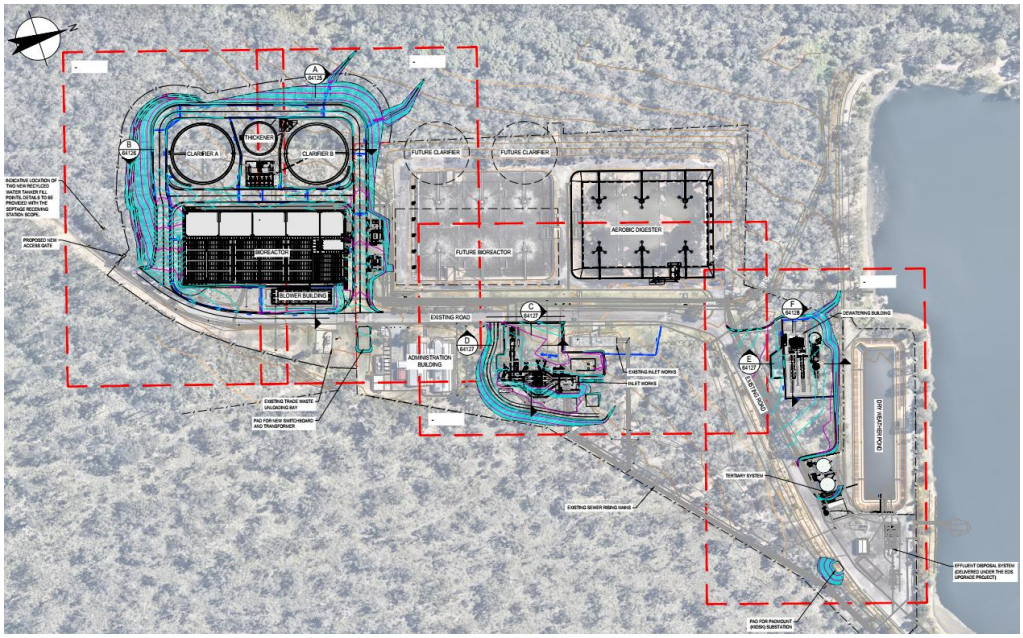


Figure 28: Charmhaven STP upgrade overview

Table 28: Charmhaven STP expenditure forecast

Year	Capital costs incurred to date	2024-25	2025-26	2026-27	Future Years	Total
Water and Sewer Revenue	1.89	3.96	8.68	18.79	4.49	37.80
Water and Sewer Developer Charges Revenue (s64)	1.89	11.17	24.48	53.02	12.67	103.22
Sub-total	3.78	15.13	33.16	71.81	17.15	141.03

4.4.3 Sewage treatment plant upgrade program

Overview

In addition to progressing the delivery of the major upgrades to Charmhaven Sewage Treatment Plant, Council is progressing the planning and design of significant improvements to a number of its sewage treatment plants. These are being informed by the recently completed condition and performance review project and previous asset planning studies.

Bateau Bay

The Bateau Bay Sewage Treatment Plant (BBSTP) was originally constructed in the 1970s as a trickling filter facility, with an upgrade was completed in the late 1980s to include an activated sludge (MLE process[4]) and a modified trickling filter plant. Subsequent Environmental Protection Licence revisions have been implemented and although still operating within original design parameters, the plant currently struggles to achieve load-based licence requirements for nitrogen and suspended solids.

The condition of aging assets introduces further licence non-compliance risks, particularly in the primary sedimentation area which had seen one of the tanks taken offline. This lack of redundancy has led to hydraulic capacity issues during wet weather, leading to poor effluent quality. Additionally, odour control has also been an issue with a history of odour complaints from the local community.

An ongoing program of process optimisation is underway which includes renewal and upgrades to primary treatment assets, upgrades to odour control, improvements to aeration equipment, construction of a new sludge dewatering system and site wide electrical/automation improvements. An overview of the site is in Figure 29 below.



Figure 29: Bateau Bay STP site overview

[4] a biological wastewater treatment method that combines both anoxic and aerobic zones to remove nitrogen and BOD (Biochemical Oxygen Demand)

Gwandalan

The Gwandalan Sewer Treatment Plant (GSTP) was constructed in 1986 and similar to CSTP has had limited capital expenditure since. The current functional capacity of the STP is approximately 6,000 EP. The current estimated serviced population now exceeds 7,000 EP with ongoing population growth occurring in response to recent greenfield subdivision development within the catchment. GSTP is also a contributor to ongoing breaches of the Toukley Sewage Treatment System Environmental Protection License (EPL 2647).

A major grade is required to provide capacity for the current connected population and forecast growth in the medium term. Planned works include the construction of a new inlet works including grit removal, upgrades to bioreactors and the installation of a sludge dewatering system. The upgrade also aims to minimise the risks of offsite odour impacts on nearby developable land currently impacted by Council's odour buffer zone. Overview of Gwandalan Sewage Treatment Plant is provided in Figure 30 below.



Figure 30: Gwandalan STP site layout

Toukley

The Toukley Sewage Treatment Plant (TSTP) was constructed in two stages in 1969 and 1986 and operates with a trickling filter process. The site operates two sludge lagoons and onsite dewatering via a belt filter press. Previous contamination studies have identified the sludge lagoons as the likely source of local groundwater contamination within the site. Recent maintenance activities have also confirmed ground water ingress into one of the sludge lagoons when it was recently de-sludged. In addition to the sludge lagoon integrity issues, the installed belt press has been subject to decreasing reliability as it is at the end of its serviceable life. Its deteriorating performance has been impacting the treated effluent quality leaving the plant.

Council intends to undertake improvements to at least one of the sludge lagoons (potentially decommissioning the other) and install a new dewatering system and out loading facilities based on Rotary Screw Press technology. These upgrades will resolve environmental impacts posed by the lagoons while also improving the reliability of treatment plant operations. This will result in improved consistency of effluent quality and improved biosolids product leaving the site. Toukley Sewage Treatment Plant sludge lagoon in Figure 31 below.



Figure 31: Toukley STP sludge lagoon

5 Investment Governance

Council manages its investment portfolio through the compilation and adoption of Annual Operational Plans and four-year Delivery Plans. The Operational and Delivery Plans are contributed to by each Directorate within Council to form the overall delivery program, with each Directorate having its own internal assessment and approval process to prioritise investment.

Each Directorate within Council has its own individual framework for managing project and program delivery. This is due to the diverse nature of each of the Council Directorates and their individual project delivery requirements. Corporately, contractual rules and policies exist to ensure each Directorate complies with contract, tender and service engagement regulations.

5.1 Water Investment Review Committee

The Water and Sewer Capital Project Review Team (PRT) was formed in 2019 to manage, monitor and review the Water and Sewer Capital Delivery Program for deliverability and ensuring projects aligned with corporate and regulatory expectations. The Project Review Team supported the business to ensure only valid, prudent, and efficient projects were approved for investment and ensured projects aligned with the strategic business plan, IPART, community strategic plans, Asset Management Plans and legislative requirements.

IPART released its Determination in May 2022, where recommendations for improvements to governance and delivery were made. In July 2023, IPART released their Water Regulation Handbook, which details changes to the way it intends to regulate the water business moving forward, which also highlighted the need for further refinement and adjustment to the water businesses governance framework.

In June 2024, the updated committee charter was endorsed to ensure recommendations in the current and future determination were implemented as well as ensuring impending regulatory requirements were considered and implemented.

The Water Investment Review Committee (WIRC) was established with the primary roles and responsibilities aligning closely with those of a Board structure. Consisting of the Water and Sewer Senior Leadership Team.

To fulfil its responsibilities, the Committee performs the following functions:

- Ongoing monitoring of delivery and cost commitments
- Monitor endorsed submissions (projects) against monthly cashflow and planned milestones
- Review and mitigate any deliverability risks or performance issues
- Review overall program for opportunities or risks
- Monitor proposed outcomes and benefits against business case proposal.

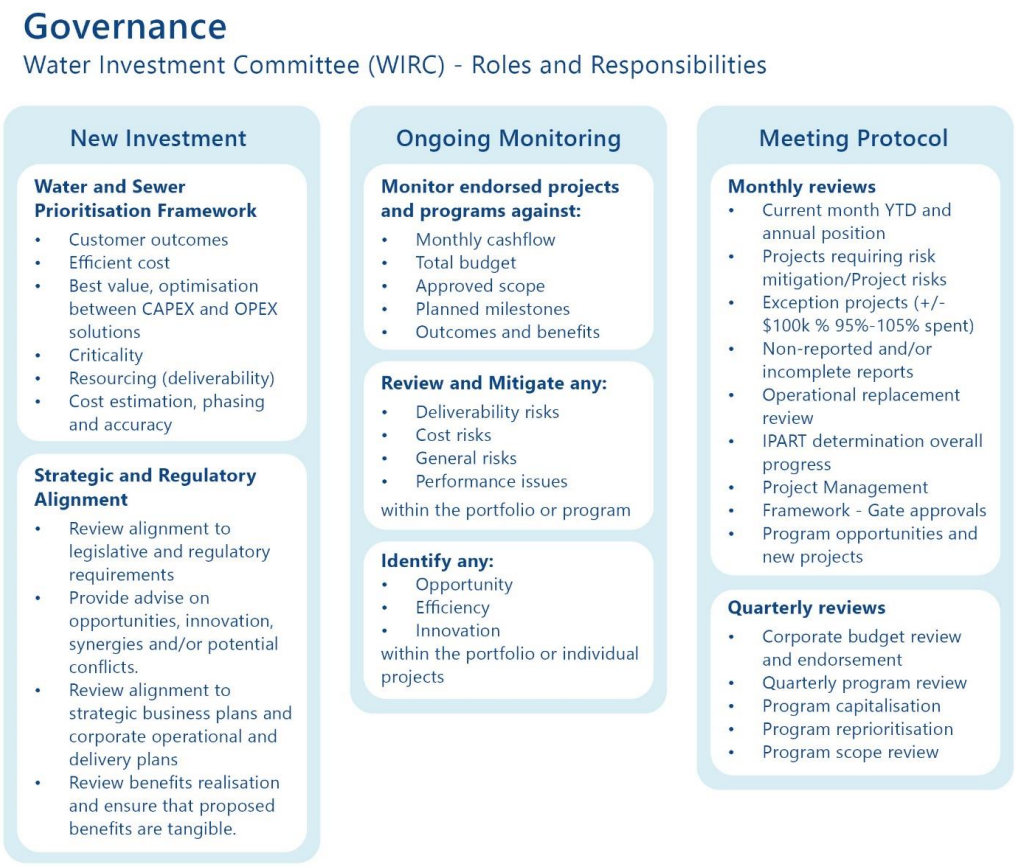


Figure 32: Water Investment Review Committee roles and responsibilities

The committee is also responsible for overseeing delivery of projects through the Project Lifecycle Gate Review and Approval process.

New investment proposal review and approvals

Review all new investment submissions considering the prioritisation framework principals with:

- Customer outcomes
- Efficient cost
- Best value, optimisation between Capital and Operational expenditure solutions
- Criticality
- Resourcing (deliverability)
- Cost estimation, phasing and accuracy, being the primary considerations
- Review alignment to legislative and regulatory requirements
- Provide advice on opportunities, innovation, synergies and/or potential conflicts
- Review alignment to strategic business plans and corporate operational and delivery plans
- Review benefits realisation and ensure that proposed benefits are tangible and align with community objectives and outcomes.

Project approval is heavily weighted toward risk where the risk of not proceeding is seen as high or unacceptable.

Risk areas primarily considered are:

- Compliance
- Work Health and Safety and Public health
- Levels of service
- Loss of service
- Property damage
- Internal property overflows
- Community and economic disruption
- Disruption to traffic
- Cultural / heritage impact
- Damage
- Repair and clean-up costs
- Reputation.

The investment prioritisation process governs the commencement of new capital projects and the transition of major projects from planning to delivery and within key procurement milestones during the delivery process. The process aims to ensure efficient and prudent assessment of capital works, while providing flexibility to reprioritise projects as needs and contexts change.

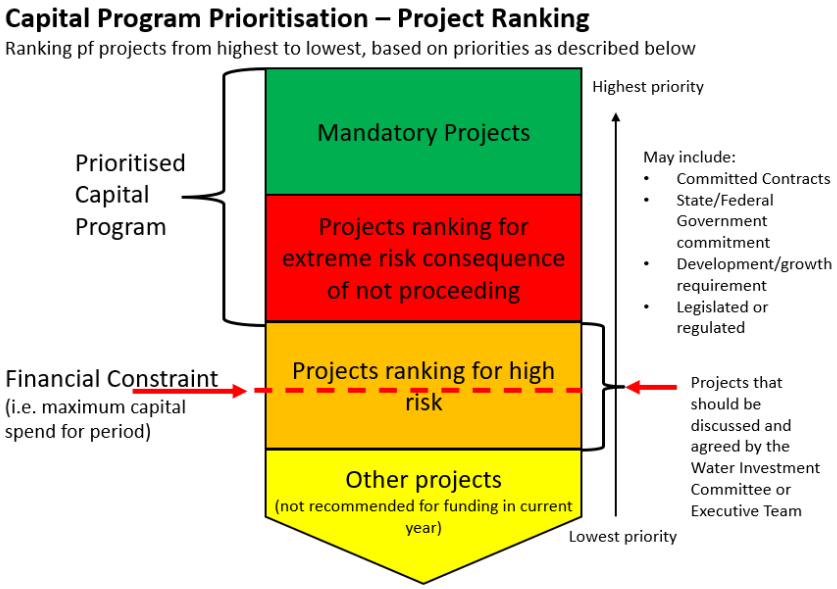


Figure 33: Water and Sewer capital prioritisation approach

5.2 Strategic Infrastructure Committee

Council has a corporate capital investment committee that oversees investment across the wider organisation. When Water and Sewer projects progress through the water and sewer specific committee (WIRC) they must also be approved by the Strategic Infrastructure Committee (SIC). The SIC strategically manages matters relating to corporate Asset Management, Developer Contributions and Capital Project Expenditure and Delivery in line with Council's Strategic Plan, financial processes, and annual budget.

The SIC comprises of Council's Executive Leadership Team (ELT) and its key objectives are:

- Ensuring Council plans, manages and delivers what we promised to the community.
- To provide leadership and set direction and priorities for the development of Council's asset management capabilities.
- Monitor Developer Contributions income and expenditure, the current and projected growth of the Central Coast region and the rate of infrastructure delivery within contribution areas.
- Meet expenditure requirement of between 95% and 102% of the capital works program.
- Ability to make unforeseen changes.
- Support the subject matter expert working groups; Technical Assets Working Group (TAWG), Developer Contributions Working Group (DCWG) and Project Management Working Group (PMWG).

Once projects have been endorsed by the SIC, they are then presented to Council through a budget review or ordinary Council meeting for Council adoption of proposed budget.

5.3 Project management framework and gated lifecycle processes

As part of the review into investment governance the Project Management Framework and Project Lifecycle also underwent a continuous improvement review to implement recommendations made in the 2022 IPART Determination as well as lessons learnt from the previous determination's capital delivery program.

Capital Delivery was divided up into three categories based on common initiation requests, value and risk in both delivery and business processes was considered.

Process 1 – emergency reactive replacement process

- Where a critical asset unexpectedly fails and is required to be replaced or remediated immediately.
- Works are delivered operationally.
- The value of works exceeds $10,000.
- Works have a material impact to the assets expected life.

Process 2 – operational asset replacement process

- Where an asset fails or is about to fail and time is available to seek quotes, wait for material/equipment delivery and/or plan onsite replacement works. Works are delivered operationally, by the business area requesting approval.
- Operational replacements of assets with a value less than $250,000 and that are delivered operationally.

Process 3 – project lifecycle and project management framework

- Higher complexity and value projects that require comprehensive planning, project management, site supervision or large contracts to deliver.
- The project management framework and suite of complimentary templates is designed to guide project managers through the planning and delivery process and encompasses monthly reporting and budget delivery KPI management.
- Phase one of the implementation of the project lifecycle focuses on business risk (risk of not proceeding) being the primary consideration. Moving into the next determination Phase two of the Project lifecycle will incorporate a second prioritisation consideration focusing on Customer and Community outcomes and benefits and accountability for achieving proposed benefits as part of a project's approval. This will be monitored, measured, and reported by introducing a final gate review to capture and evidence improvements made by undertaking investment.

6 Investment delivery

6.1 Overview

The Water and Sewer Directorate has further implemented a range of contractor panels to achieve time efficiencies in the tendering, contract approval and award phases, to ensure capital works are delivered using the most efficient strategies available.

There has been an implementation of several long-term contracts for service provisions to deliver Capital projects and programs. These contracts negate the need to tender individually for services the business requires on an ongoing basis.

6.2 Procurement

As the Water and Sewer Directorate is part of a Council, it is limited in its ability to find the same procurement efficiencies other utilities may achieve. The Water and Sewer Directorate is required to adhere to Council's procurement policies in relation to goods and services procured which includes the procurement of contractor engagement.

Council is required to undertake specified procurement in accordance with:

- The Local Government Act 1993 (LGA) [in particular section 55]
- The Local Government (General) Regulation 2005 2021 (Regulation) [in particular Part 7 – Tendering]

This legislation applies to all contracts for goods and services unless a relevant exception applies. One exception is where the estimated expenditure for a contract is less than $250,000 (excluding GST).

6.3 Contract management

Council has a corporate contract management framework and supplementary manual procedure staff must follow this for contract management. The Business Owner will nominate an individual within their area of responsibility to act as the Contract Manager for each contract.

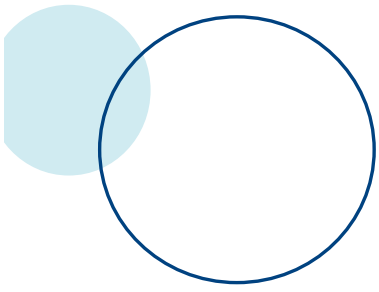
As the value, risk and complexity of a contract increases, so does the contract management requirements. The Contract Manager is responsible for managing risks and seeking appropriate professional advice at an early stage where insurance, legal or governance issues arise. They must be adequately resourced and skilled to manage a contract and the particular requirements of the contract.

Council must ensure appropriate levels of resourcing and management are applied to the contract management process in line with the importance of the contract and risk. Contracts and related contractors may be segmented according to value and risk as follows:

Operational (low importance)
For the supply of commodity items or services that are deemed to be low risk, low volume, have multiple contractors, little or no front-line impact and are typically of a low value.

Tactical (low or medium importance)
For the supply of goods or services that are deemed to be low or medium risk. There may be multiple or stable vendors that can supply the required goods or services and the impact to the front line is typically minor.

Strategic (high importance)
For the supply of goods and or services that directly impact operations, are highly sensitive or are high risk. In most situations, issues with the supply of the goods or services will impact Council with varying degrees of severity.



6.4 Delivery strategies

6.4.1 Water services and construction

Single supplier arrangement, four-year contract with extension options for the provision of all water main renewal, water service and water meter installations.

The scope of work performed under this contract includes routine scheduled exchange of existing water meters ranging in size from 20mm to 150mm; maintenance of water meters, water services and fire hydrants, including ad hoc meter exchange; tapping of water mains and construction of new water services from main to meter ranging in size from 20mm to 150mm, including meter only installations and fire services construction; adjustments to existing water services; in situ replacement of water mains up to 300mm in nominal diameter; replacement of fittings on existing water mains; and ad hoc relocation of water mains up to 300mm in nominal diameter and after-hours emergency works availability.

6.4.2 Sewer rehabilitation and construction services

Single supplier arrangement, four-year contract with extension options for the provision of all sewer main relining, manhole rehabilitation along with provisions for closed circuit television (CCTV) inspections including structural condition assessment, critical sewer and infiltration assessments.

The works executed consist of all work associated with the design, manufacture, supply, CCTV investigation, flow control, data collection, community liaison, traffic control, installation, restoration, testing and commissioning of rehabilitation works to targeted sewer mains and manholes.

6.4.3 Contract 3543 engineering services consultancy panel

The objective of the Water and Sewer Engineering Services Panel is to streamline Council's ability to procure consulting services enabling Council to deliver its capital program more efficiently than using a traditional project by project procurement approach for engineering services. The "Panel" was established through a Competitive Open Tender process for a four-year contract with a one year plus one year extension available. The contract installed two panel members. AECOM Australia Pty Ltd and GHD Pty Ltd.

At the project's inception an estimate of monies to be expended through the Panel was approximated $2M per annum ($nominal). There is no guarantee to the amount to be expended nor that the Panel has exclusivity to services required.

Requests for each individual service is made via Vendor Panel with submission of project brief and Request for Tender. Estimate of service cost provides flexibility with respect procurement and sourcing requirements. Central Coast Council's Procurement and Sourcing accept a stepped approach to requirements to facilitate streamlining of service procurement. Single source engagement request with reduced supplier response time of seven days is accepted for projects with estimated value(s) under $150K. For contracts over $150K requests must be made to all panel members with response times of upwards 21 days.

Central Coast Council decided to extend the initial four-year engagement period by one year of the two-year extension option. Council is unlikely to extend this engagement for the further one year. Central Coast Council is planning to establish a tiered panel which will include with the large engineering firms providing the complex project capability, smaller local suppliers which will provide greater flexibility and choice for Central Coast Council in the procurement of smaller ad-hoc services. It is expected smaller firms will have reduced delivery times and reduced cost for equivalent services due to overheads and the larger engineering firm governance. Central Coast Council also sees the value in sourcing and supporting local.

Central Coast Council personnel have a sound and friendly working relationship with the panel members. Workshops and knowledge sharing activities have complemented individual project management engagement meetings to develop collaborative teams in the delivery of engineering services.

6.4.4 Contract 2043 general works construction panel (2019-2023)

The General Works Construction Panel was implemented in 2019 to meet IPART drivers for efficient delivery of Infrastructure projects. The panel commenced as a pilot program for construction of projects from $150k to $2M.

During the term, the panel was utilised to deliver $ 46.6M in infrastructure delivery from its initial inception in 2019 until the contracts' conclusion in 2023 an average of $11.7M annually. The 2019-2023 panel trial was successful, and a second-round general construction works panel was implemented.

6.4.5 Contract 5009 general works delivery panel (2023-2027)

It has been utilised to deliver in excess of $35M in infrastructure delivery so far from its initial inception in 2023 to date, delivering projects from $150k to the upper limit of the panel $7.5M. Council is also working to increasing the upper limit to $10M of this Panel to align with the Major Construction Panel starting limit. This will close the grab between both Panels avoiding going to open market for those projects.

Council has realised the efficiencies of this delivery method through a reduction in working hours for staff reducing the time to prepare, advertise, review and award contracts that would have historically been placed on the Open market which has an average timeframe of 112 days from tender advertise to award. The average timeframe for contracts utilising the general construction panel has reduced this period to an average of 88 days.

As well as efficiencies through time and administration costs, Council has also found benefits through partnerships with panel contractors gaining a better knowledge of Council's assets and operations allowing them to deliver works to a higher standard with less variations received.

6.4.6 Contract 6185 major works delivery panel (2025-2029)

Due to the success of the General Works Construction Panel, Council has established a similar arrangement to implement a panel for construction works valued at $10M to $50M contract value. Council adopted a list of recognised contractors of up to eight Contractors with two categories to undertake and deliver major construction works in relation to Water and Sewer assets. Council anticipates realising the same benefits in this panel as was experienced in the General Works Delivery Panel with cost efficiencies received through time saving and quality service delivery.

6.4.7 Works In Kind delivery

Council works closely with the Development sector to understand where key lead-in/lead-out works can be integrated as part of the land subdivision and local utility provision process. Works In Kind Agreements (WIKA) may be determined with lead developers to ensure these relevant greenfield assets are provided at the right time and realise efficiencies with associated subdivision delivery activities.

Under a WIKA, the value of Water and Sewerage Developer Charges payable for the subject development are offset by value of regional infrastructure works that the developer delivers on behalf of Council. WIKA's may be used for new greenfield assets, while brownfield asset upgrades or major capital works are delivered by Council.

Council has delivered a range of regional growth assets including water trunk mains, sewer pump stations and sewer rising mains as part of WIKAs during the current determination period. Ongoing delivery of greenfield growth assets are planned during the upcoming determination period.

6.5 Delivery portfolio management

Council has traditionally exhibited challenges in delivering on its determination allowances in the Capital delivery space with most historical determination periods trending for under delivery. To address past performance trends, Council has undertaken a detailed review of forecast portfolio deliverability trending historical spend rates against quantity and complexity of projects delivered as well as looking at historical and current resourcing across the planning and delivery business functions.

As part of this review Council was able to establish the greater number of individual projects being delivered in a single financial year had a direct impact to under delivery of the proposed program. This was mostly due to administrative effort required in pre-construction phases, particularly contract preparation and award and managing consultancies and key stakeholders for endorsement and review of planning and design proposals. Council has taken on this learning and implemented several improvements to processes, structure and roles within projects as well gathering data from past learning to apply to projects moving forward.

This process improvement's successful outcome is evidenced through Council's successful delivery of its 2022 determination allowance.

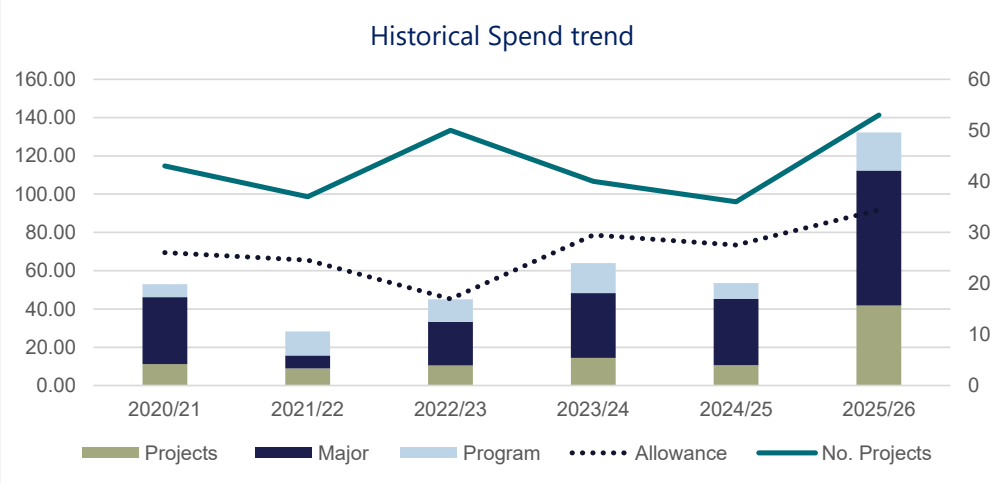


Figure 34: Historical expenditure by project resourcing type

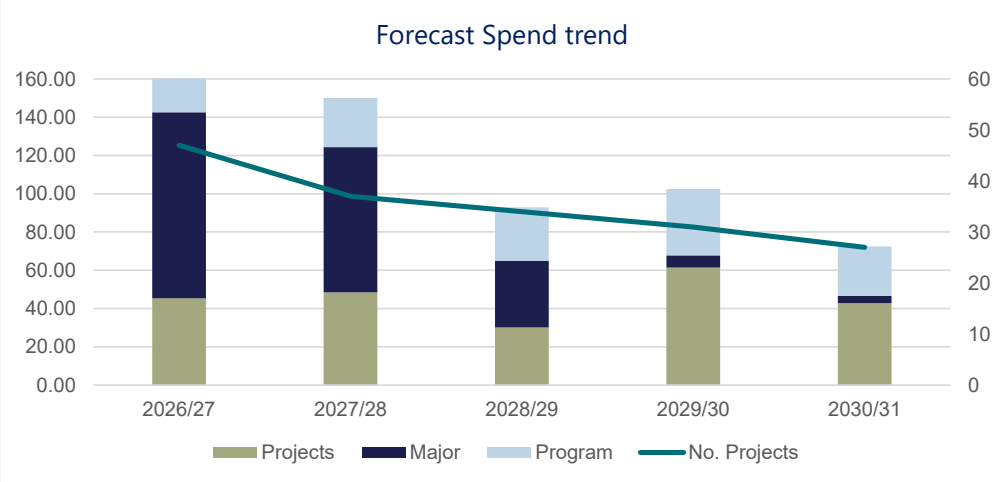


Figure 35: Forecast expenditure by project resourcing type

Major projects are resourced utilising external specifically skilled project and contract management teams, while standard projects (Business As Usual) have been resourced utilising internal staff. Council is investigating further packaging of similar project in similar asset categories to reduce administrating effort in contract review and management as well as utilising panel arrangements to deliver projects to mitigate extensive timeframes in submitting construction works to the open market.

The business has onboarded a programmer to better plan and phase project delivery to ensure timing and phasing of projects through the respective delivery phases is achievable

and has adequate resources available. This allows the business to better manage resources including stakeholders outside of the delivery team who play a key role in the planning and contractual requirements of each project. While the outer years of the proposed delivery program are still in development and will require further risk prioritisation reviews, Council has applied its learnings to its forecast ensuring that forecast delivery commitments are achievable.

Abbreviations

AC	Asbestos Cement
AIF	Accelerated Infrastructure Fund
BAU	Business as Usual
BLER	Bushfire Local Economic Recovery
CAPEX	Capital Expenditure
CCWSMP	Central Coast Water and Sewer Master Plan
CICL	Cast Iron Cement Lined
CPI	Consumer Price Index
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DCWG	Developer Contributions Working Group
DSP	Development Servicing Plans
ECI	Early Contractor Involvement
ELT	Executive Leadership Team
EP	Equivalent Persons
EPA	Environment Protection Authority
EPL	Environment Protection License
HAF	Housing Acceleration Fund
HWC	Hunter Water Corporation
IPART	Independent Pricing and Regulatory Tribunal
LGA	Local Government Area
LWU	Local Water Utility
MLE	Modified Ludzack-Ettinger
ML	Megalitre
OCU	Odour Control Unit
OPEX	Operational Expenditure
PMCA	Pressure Main Criticality Analysis
PMWG	Project Management Working Group
SIC	Strategic Infrastructure Committee
SPS	Sewer Pump Stations
SRM	Sewer Rising Main
STP	Sewage Treatment Plant
TAWG	Technical Assets Working Group
WIKA	Works in Kind Agreement
WIRC	Water Investment Review Committee
WPS	Water Pump Stations
WTP	Water Treatment Plant

References

January 2022 Council resolution -*Minutes of Ordinary Council meeting Tuesday 25 January 2022 – Tender evaluation*

Central Coast Council | Water and Sewer

Technical Paper 4

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September 2025



Technical Paper 6

Revenue requirements and financial metrics

September 2025

Central Coast Council | Water and Sewer

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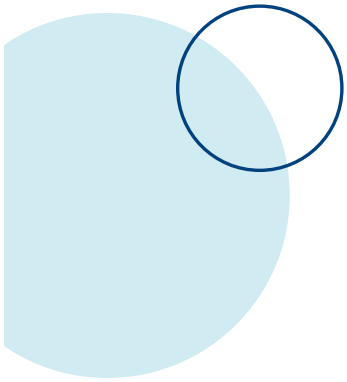
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1 Key points

- Actual revenue for the current pricing proposal is within 1% of target.
- The Regulated Asset Base (RAB) increases over time due to new capital investment (mainly in sewer).
- The Weighted Average Cost of Capital (WACC) used in 3.3% based on April 2025 data.
- Council has made a revenue adjustment for the WACC true-up, which is an upward adjustment to revenue.
- Proposed target revenue is higher in the upcoming pricing period, due to increases in sewer revenues.
- The main drivers of the higher sewer target revenue are:
    - High proportion of sewer capital spend on upgrades at Charmhaven and Gwandalan Sewage Treatment Plants (STPs) (increasing the return on the regulated asset base).
    - A revenue adjustment of $9.1M (plus an adjustment for water of $8.8M).
- Proposed target revenues pass IPART's financeability tests.



2 Building block components

Central Coast Council (Council) has calculated target revenues required over the five-year period to 30 June 2031 using the Independent Pricing and Regulatory Tribunal's (IPART) Building Block Model (BBM). The building block model allows a utility to calculate revenue that is used to set both the usage and service charges for water and sewer services.

The notional revenue requirement (NRR) is the sum of the following cost allowances:

- Operating expenditure
- Return of capital (depreciation)
- Return on regulatory asset base (RAB)
- Return on working capital
- Tax allowance.

Each allowance of the building blocks is explained in Section 4.



3 Regulated revenue over the current pricing period

In the 2022 Determination (2022-2026), IPART calculated a target revenue for Council's water, sewer and stormwater drainage of $811M ($2021-22).

Council's revenue for its water, sewer and stormwater drainage businesses come from both residential and non-residential customers.

The revenue split for water, sewer and stormwater drainage from the 2022 Determination is shown in Table 1 in $2021-22. Table 2 and Table 3 present the performance against this revenue allowance in $2025-26. Actual revenue for the current pricing proposal is within 1% of target.

Table 1: IPART revenue allowance ($2021-22, $M)

IPART allowed $M	2022-23	2023-24	2024-25	2025-26	Total
Water	83.2	92.9	106.3	108.1	**390.4**
Sewer	82.9	86.0	89.5	90.6	**348.9**
Stormwater drainage	17.9	18.0	18.0	18.1	**72.0**
Total	**184.0**	**196.8**	**213.8**	**216.8**	**811.3**

Table 2: Total actual/forecast revenue against IPART revenue allowance ($2025-26, $M)

IPART allowed $M	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Forecast	Total
IPART Determination	219.6	235.1	255.4	259.0	969.0
Actual/Forecast	219.9	238.4	258.1	261.0	977.4
Variance $	(0.3)	(3.4)	(2.7)	(2.0)	(8.4)
Variance %	(0.1%)	(1.4%)	(1.1%)	(0.8%)	(0.9%)

Note: CPI used for $2025-26 are as per IPART SIP of 2022-23 5.1% 2023-24 7.0% 2024-25 3.6% & 2025-26 2.4%

Table 3: Water, sewer and stormwater drainage revenue against IPART revenue allowance ($2025-26, $M)

$M	2022-23	2023-24	2024-25	2025-26	Total
Water	**Actual**	**Actual**	**Actual**	**Forecast**	
IPART determination	99.3	110.9	127.0	129.1	466.3
Actuals/forecast	98.4	112.8	128.3	129.5	469.0
$ Variance	0.9	(1.8)	(1.4)	(0.4)	(2.8)
% Variance	0.9%	(1.7%)	(1.1%)	(0.3%)	(0.6%)
Sewer	**Actual**	**Actual**	**Actual**	**Forecast**	
IPART determination	98.9	102.7	106.9	108.3	416.8
Actuals/forecast	100.0	104.0	108.0	109.8	421.9
$ Variance	(1.1)	(1.3)	(1.1)	(1.6)	(5.1)

% Variance	(1.1%)	(1.3%)	(1.1%)	(1.4%)	(1.2%)
Stormwater drainage	**Actual**	**Actual**	**Actual**	**Forecast**	
IPART determination	21.3	21.4	21.5	21.6	85.9
Actuals/forecast	21.4	21.6	21.7	21.6	86.4
$ Variance	(0.1)	(0.2)	(0.2)	(0.0)	(0.5)
% Variance	(0.5%)	(1.0%)	(1.0%)	(0.1%)	(0.6%)

Note: CPI used for $2025-26 are as per IPART SIP of 2022-23 5.1% 2023-24 7.0% 2024-25 3.6% & 2025-26 2.4%

3.1 Water

Water revenue is predominantly recovered via usage charges which account for approximately 62% of the total regulated revenue for water. Revenue outcomes are variable and dependent on climatic conditions throughout the regulatory period.

Table 4 below shows the actual / forecast water revenue against the IPART allowance and it forecast to be within 1% of allowance.

Table 4: Water actual / forecast revenue against IPART revenue allowance ($2025-26, $M)

$M	2022-23	2023-24	2024-25	2025-26	Total	Total	Total
Water	**Actual**	**Actual**	**Actual**	**Forecast**	**Actual/ forecast**	**IPART Determination**	**Variance**
Service charge	26.5	37.8	53.1	55.2	172.5	172.8	0.2
Usage charge	71.0	73.8	73.8	73.1	291.8	289.0	(2.7)
Other fees and charges	2.0	2.1	2.3	2.2	8.7	8.5	(0.2)
Net pensioner rebates	(1.1)	(1.0)	(0.9)	(1.0)	(4.0)	(4.0)	(0.0)
Total Regulated Revenue	98.4	112.8	128.3	129.5	469.0	466.3	(2.8)

3.2 Sewer

Sewer revenue is predominantly recovered via service charges which account for 76% of the total regulated revenue.

Table 5 below shows the actual / forecast sewer revenue against the IPART allowance. The higher actual / forecast revenue is mainly due to higher trade waste charges and higher usage volumes than in the determination. The trade waste charges are higher due to non-compliant excess mass charges for some large customers based on operational failures resulting in high strength waste discharged.

Table 5: Sewer actual / forecast revenue against IPART revenue allowance ($2025-26, $M)

$M	2022-23	2023-24	2024-25	2025-26	Total	Total	Total
Sewer	**Actual**	**Actual**	**Actual**	**Forecast**	**Actual/ forecast**	**IPART Determination**	**Variance**
Service charge	74.6	78.4	82.0	83.7	318.7	319.6	1.0
Usage charge	21.3	21.7	21.7	21.7	86.4	85.4	(1.0)
Trade waste charges	4.1	4.0	4.4	4.6	17.1	12.6	(4.4)
Other fees and charges	1.3	0.9	0.8	0.9	3.8	3.2	(0.6)
Net pensioner rebates	(1.3)	(0.9)	(0.9)	(1.0)	(4.1)	(4.1)	0.0
Total Regulated Revenue	100.0	104.0	108.0	109.8	421.9	416.8	(5.1)

3.3 Stormwater drainage

Stormwater drainage charges are recovered through fixed charges per property and the forecast result across the determination is within 1% (refer to Table 6).

Table 6: Stormwater drainage actual / forecast revenue against IPART revenue allowance ($2025-26, $M)

$M	2022-23	2023-24	2024-25	2025-26	Total	Total	Total
Stormwater drainage	**Actual**	**Actual**	**Actual**	**Forecast**	**Actual/ forecast**	**IPART Determination**	**Variance**
Property charges	21.4	21.6	21.7	21.6	86.4	85.9	(0.5)

4 Proposed revenue requirements

4.1 Target revenue

Table 7 summarises proposed target revenues for the upcoming pricing period – 1 July 2026 to 30 June 2031. The totals relate to water and sewer only, as stormwater drainage from 1 July 2026 will no longer be regulated by IPART.

- Sales revenue refers to revenue received from water and sewer service and usage charges.
- Other regulated revenue includes revenue from miscellaneous and trade waste charges.

Table 7: Proposed target revenue, upcoming pricing period ($2025-26, $M)

	2026-27	2027-28	2028-29	2029-30	2030-31	Total revenue	5-year NPV
Sales revenue	253.3	255.1	256.5	257.6	259.6	1,282.1	**1,158.2**
Other regulated revenue	5.7	5.0	5.0	5.0	5.0	25.7	**23.2**
Target revenue	**259.1**	**260.1**	**261.5**	**262.5**	**264.5**	**1,307.7**	**1,181.4**
Notional revenue requirement	267.0	254.1	258.0	263.6	264.6	**1,307.3**	**1,181.4**

Figure 1 shows proposed target revenue and includes the IPART-determined allowance for 2025-26 for comparison:

- Overall increase is driven by sewer, with the target revenue for water decreasing.
- Sewer target revenues increase due to increased capital expenditure on sewer assets.
- High proportion of sewer capital spend is related to upgrades at Charmhaven and Gwandalan sewage treatment plants (increasing the return on the regulated asset base)
- Revenue adjustment of $17.8M in the first year of the new determination (revenue adjustment) is the "true up" at the end of the regulatory period related to updates to the cost of debt. Refer Section 4.7 below.

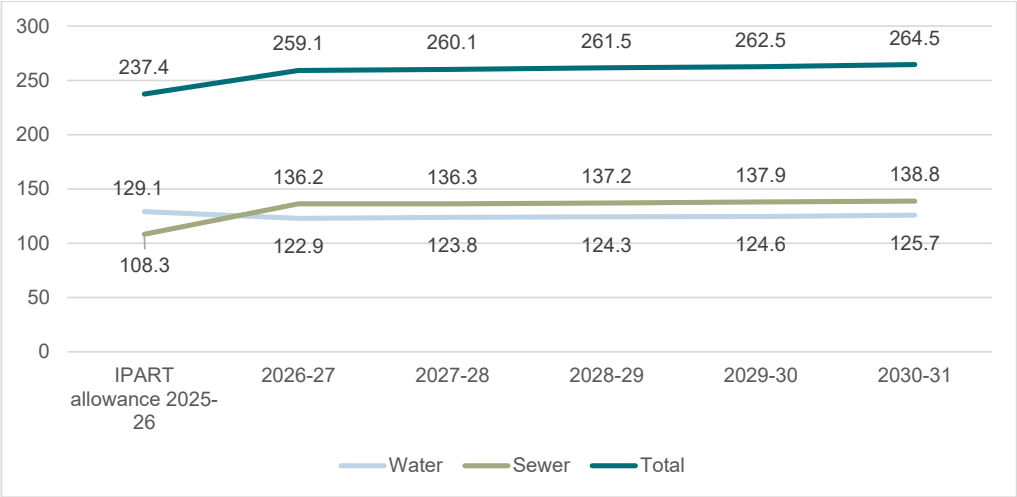


Figure 1: Proposed target revenues, by product ($2025-26, $M)

Table 8 shows the proposed NRR calculated using the building block method, with the IPART-determined allowance (for water and sewer only) for comparison.

Table 8: Proposed revenue requirements, Total ($2025-26, $M)

	IPART allowance 2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Operating expenditure	127.7	141.4	140.3	139.5	141.9	140.2
Return of capital (depreciation)	43.7	45.0	47.5	49.4	50.9	52.3
Return on RAB	45.5	59.0	62.3	64.4	65.7	66.6
Return on working capital	1.5	2.6	2.5	2.8	2.9	3.0
Tax allowance	0.7	1.1	1.5	1.8	2.2	2.5
Revenue adjustments	0.0	17.8	0.0	0.0	0.0	0.0
Notional revenue requirement	**219.2**	**267.0**	**254.1**	**258.0**	**263.6**	**264.6**

Table 9 shows the proposed water Net Revenue Requirement (NRR) calculated using the building block method, with the IPART-determined allowance for comparison.

Table 9: Proposed revenue requirements, Water ($2025-26, $M)

	IPART allowance 2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Operating expenditure	69.0	71.1	70.0	69.0	70.9	70.4
Return of capital (depreciation)	22.5	22.8	23.0	23.3	23.7	24.1
Return on RAB	22.1	26.4	26.1	25.9	25.9	26.0
Return on working capital	1.1	1.9	1.7	1.7	1.7	1.7
Tax allowance	0.0	0.6	0.7	0.8	1.0	1.2
Revenue adjustments	0.0	8.8	0.0	0.0	0.0	0.0
Notional revenue requirement	**114.6**	**131.6**	**121.5**	**120.8**	**123.2**	**123.4**

Table 10 shows the proposed sewer NRR calculated using the building block method, with the IPART-determined allowance for comparison.

Table 10: Proposed revenue requirements, Sewer ($2025-26, $M)

	IPART allowance 2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Operating expenditure	58.8	70.3	70.3	70.4	71.0	69.8
Return of capital (depreciation)	21.3	22.2	24.5	26.1	27.3	28.2
Return on RAB	23.4	32.6	36.2	38.5	39.8	40.6
Return on working capital	0.5	0.7	0.8	1.1	1.2	1.3
Tax allowance	0.7	0.6	0.8	1.0	1.2	1.4
Revenue adjustments	0.0	9.0	0.0	0.0	0.0	0.0
Notional revenue requirement	**104.6**	**135.4**	**132.6**	**137.2**	**140.4**	**141.3**

Figure 2 shows the building block components across the current and proposed determination period. The numbers exclude the one-off revenue adjustments in both periods. The main increases are:

- Operating expenditure has increased predominately in the sewer business, see Technical Paper 5 for more details.
- Higher return of capital and return on RAB due to major capital expenditure in the sewer business, see Technical Paper 4 for more details.

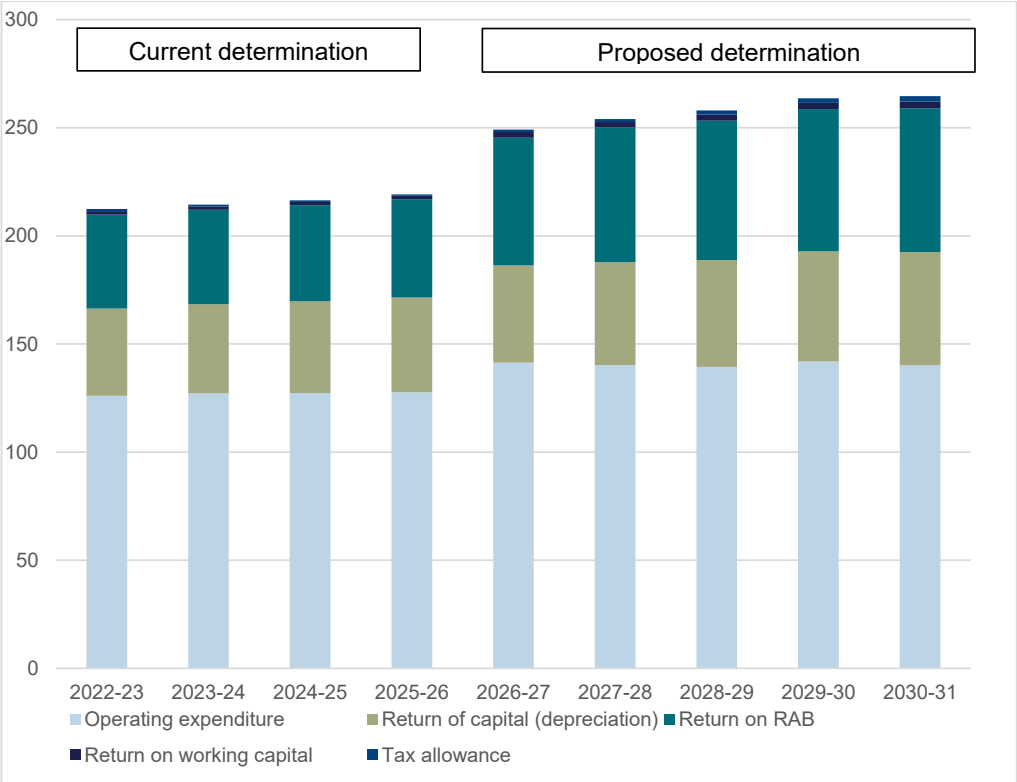


Figure 2: Building block allowances, trend over time ($2025-26, $M)

Table 11 shows the proposed revenue requirements by product and Figure 3 shows the proportion of total revenue by product, with a switch to a higher proportion for sewer in the proposed determination.

Table 11: Proposed revenue requirements, by product ($2025-26, $M)

	2026-27	2027-28	2028-29	2029-30	2030-31
Water	131.6	121.5	120.8	123.2	123.4
Sewer	135.4	132.6	137.2	140.4	141.3
Total	**267.0**	**254.1**	**258.0**	**263.6**	**264.6**

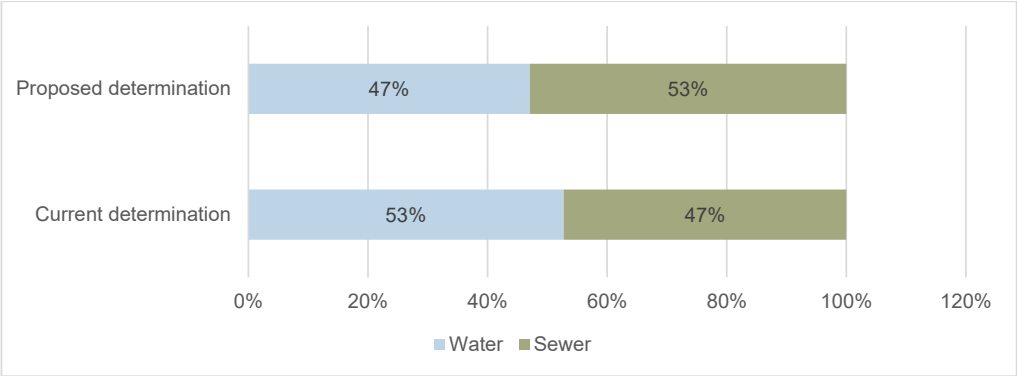


Figure 3: Revenue requirements by product, proportion of total revenue (%)

4.2 Operating expenditure

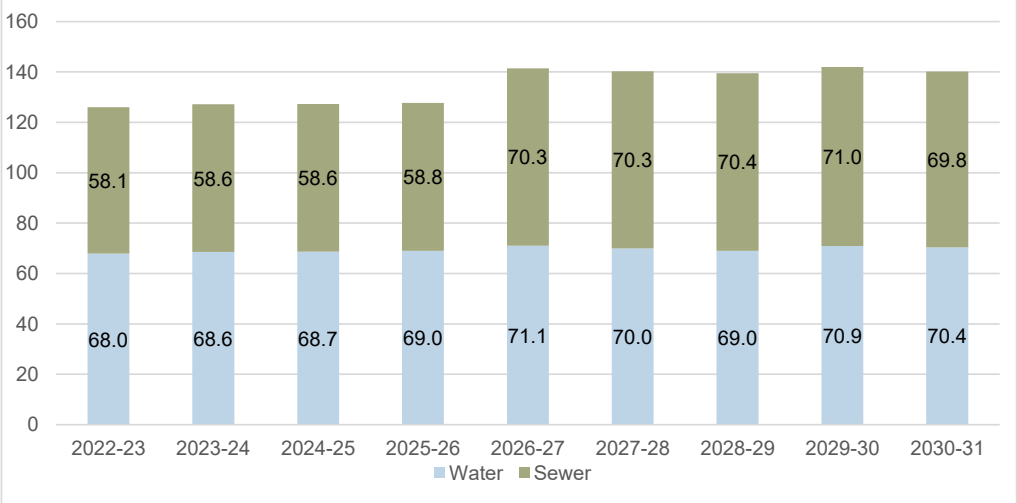


Figure 4 shows operating expenditure for both the current and proposed determination for water and sewer. The increase is in the sewer business, for more details of this expenditure and the base-step-trend approach, see Technical Paper 5.

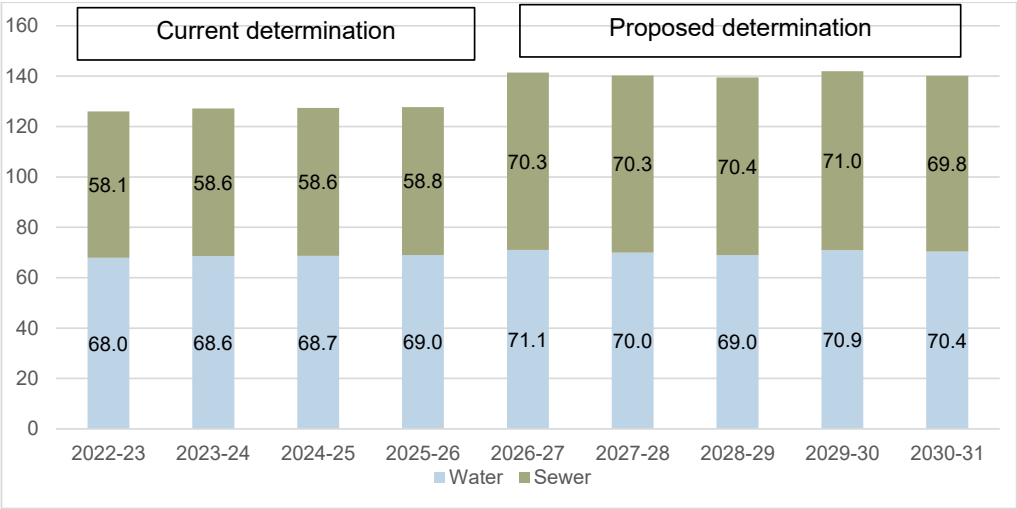


Figure 4: Proposed operating expenditure ($2025-26, $M)

4.3 Return of capital (depreciation)

The return of capital (depreciation) building block is shown in Figure 5.

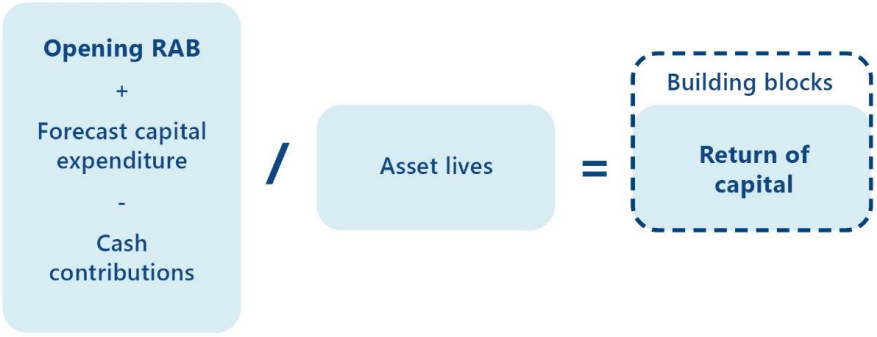


Figure 5: Return of capital (depreciation) building block

The RAB determines the return of and return on capital.

The opening and closing RAB for the current and proposed determination periods are shown in Table 12 and Table 13.

Table 12: Roll forward of RAB, current determination ($nominal, $M)

	2021-22	2022-23	2023-24	2024-25	2025-26
Opening RAB	1,273.4	1,361.0	1,453.3	1,538.1	1,626.6
Add: capital expenditure	36.7	66.1	81.3	112.6	132.2
Less: cash capital contributions	(10.0)	(19.1)	(13.1)	(15.3)	(19.0)
Less: depreciation	(17.6)	(37.8)	(40.0)	(42.0)	(44.5)
Add: indexation	78.5	83.1	56.5	33.3	45.4
Closing RAB	**1,361.0**	**1,453.3**	**1,538.1**	**1,626.6**	**1,740.7**

Table 13: Roll forward of RAB, proposed determination ($2025-26, $M)

	2026-27	2027-28	2028-29	2029-30	2030-31
Opening RAB	1,740.7	1,848.6	1,942.2	1,977.0	2,019.5
Add: capital expenditure	160.2	149.9	92.8	102.5	72.3
Less: cash capital contributions	(6.6)	(8.0)	(7.9)	(8.1)	(8.1)
Less: depreciation	(45.7)	(48.3)	(50.2)	(51.8)	(53.1)
Closing RAB	**1,848.6**	**1,942.2**	**1,977.0**	**2,019.5**	**2,030.6**

Depreciation is calculated using a straight-line methodology. It uses the weighted average asset lives for both new and existing assets (Refer Table 14).

Depreciation is increasing across all years of the current and proposed determination (as shown in

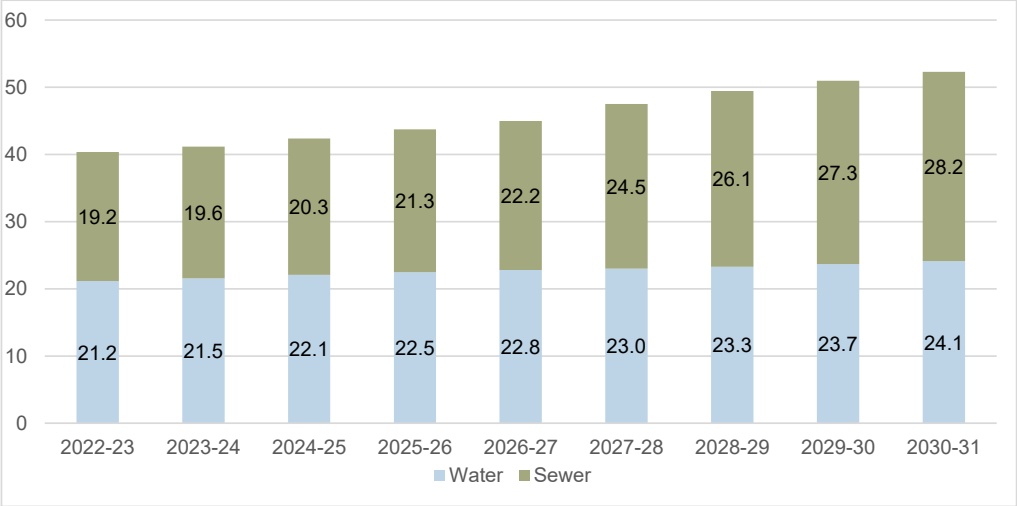


Figure 7). This is a result of higher capital expenditure in the proposed determination (especially in the first two years). Refer to Figure 6 below for details. The large proportion of the capital expenditure is in the sewer business, see Technical Paper 4 for more details.

Table 14: Proposed existing and new asset lives from 1 July 2026, years

	Existing assets	New assets
Water	35.1	60.3
Sewer	41.3	57.4

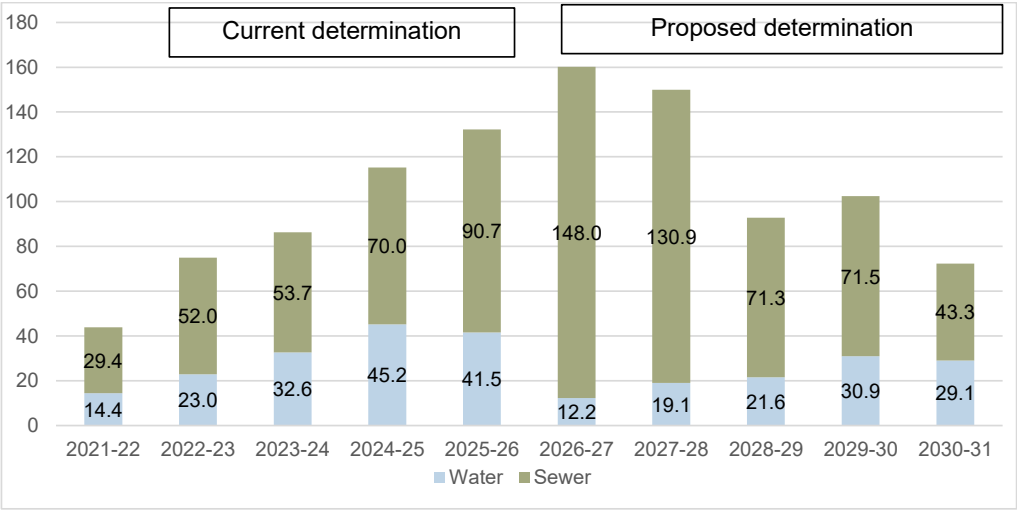


Figure 6: Capital expenditure added to the RAB ($2025-26, $M)

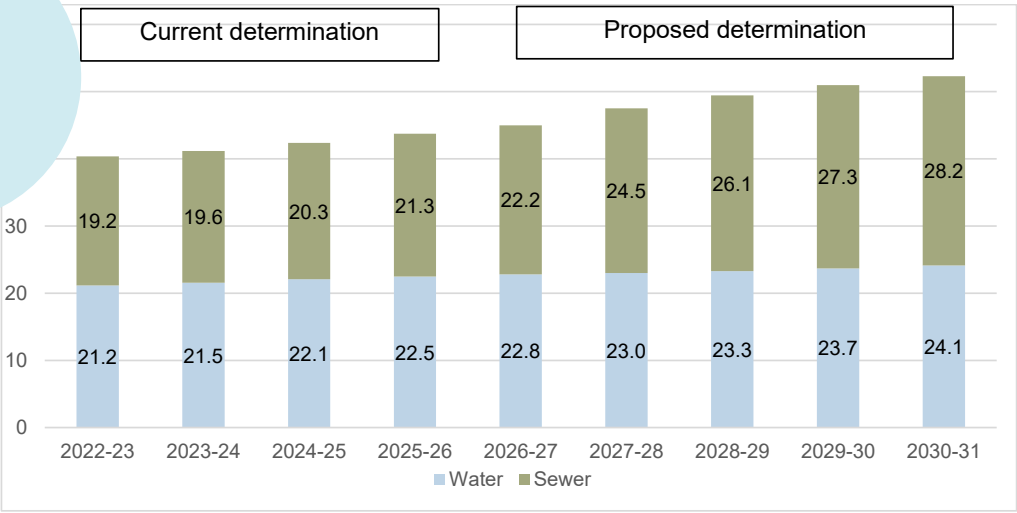


Figure 7: Regulatory depreciation by product ($2025-26, $M)

4.4 Return on RAB

IPART include an allowance for return on assets in the revenue requirement to account for the opportunity cost of capital invested to provide regulated services. IPART applies a

Weighted Average Cost of Capital (WACC) multiplied by the mid-year RAB value to calculate the return on assets.

The WACC is the weighted average cost of debt and equity required for a benchmark business to invest in necessary infrastructure. The calculation of the WACC is found using an equal weighting of current (number of years in the determination period) and long-term (10 years) market data to provide a mid-point WACC.

The current WACC components, dated April 2025, are shown in Table 15.

The post-tax real WACC is set at 3.3% and has increased from the last determination period (2.8%), driven by a higher nominal risk-free rate.

Forecast return on capital is higher than the current calculated return on capital due to a combination of higher WACC and a higher RAB.

The historical and forecast return on RAB is shown in Figure 8.

Table 15: WACC components

Component	Current market data	Mid-point	Long term averages
Nominal risk-free rate	3.3%	3.0%	2.7%
Inflation	2.6%	2.6%	2.6%
Implied debt margin	2.1%	2.2%	2.3%
Market risk premium	6.2%	6.1%	6.0%
Debt funding	60%	60%	60%
Equity funding	40%	40%	40%
Gamma	0.25	0.25	0.25
Corporate tax rate	30%	30%	30%
Equity beta	0.70	0.70	0.70
Post tax real WACC	3.6%	3.3%	3.1%

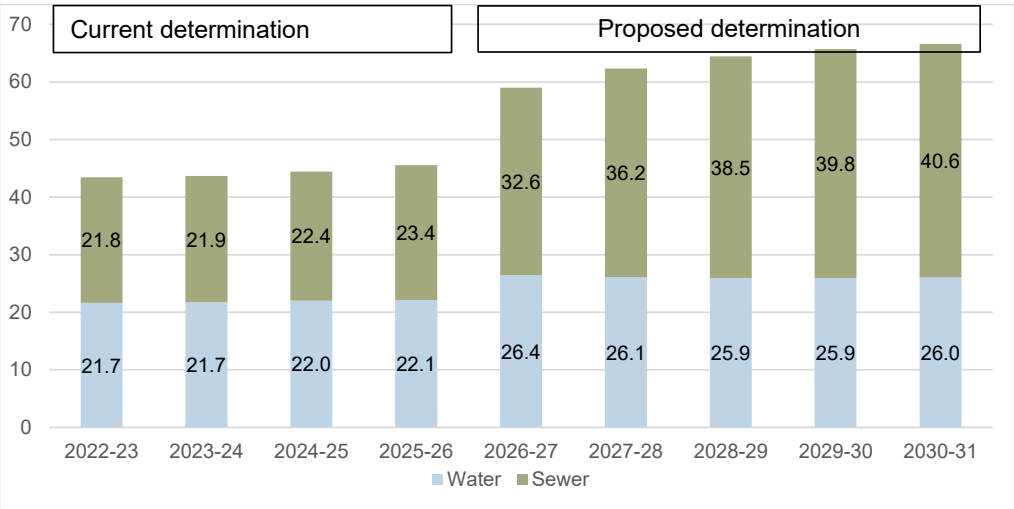


Figure 8: Return on RAB ($2025-26, $M)



4.5 Return on working capital

Working capital allowance is the notional revenue requirement to allow Council to recover the costs it incurs due to delays between it delivering services (water and sewer) and receiving payment for those services. We have adopted IPART's 2022 method of calculation as outlined in the 2023 Water Regulation Handbook. (*page 97 Table A.1 Summary of changes to our working capital policy).*

The following is used in the calculation:

1. **Receivables** – money received from billing. Council use a 90-day billing cycle (quarterly). It considers allowed days for payment, forecast revenue from charges. It also considers the number of days billed in areas and the days before payment.
2. **Payables** – it reviews the payments required to cover the cost of maintaining the services in both operational and capital expenditure. This is usually benchmarked against 30 days.

A return on working capital, uses a nominal post-tax WACC, to recover the interest associated with the working capital facility. The return on working capital for the next determination period is shown in Table 16.

Table 16: Return on working capital calculation ($2025-26, $M)

	2026-27	2027-28	2028-29	2029-30	2030-31
Receivables	68.4	65.2	65.9	67.4	67.6
Inventory	0.0	0.0	0.0	0.0	0.0
Prepayments	0.4	0.4	0.4	0.4	0.4
Accounts payable	(24.2)	(23.2)	(18.4)	(19.4)	(16.8)
Net working capital	44.6	42.4	47.9	48.4	51.2
Return on working capital	**2.6**	**2.5**	**2.8**	**2.9**	**3.0**

4.6 Tax allowance

Tax is calculated as a separate allowance in the notional revenue requirement, consistent with the use of a post-tax WACC. The commercially based tax allowance is a separate building block that replicates the tax liability of a similar, well-managed privately-owned business. The reason for this allowance is described by IPART in the commentary below:

"We included an explicit allowance for tax because we use a post-tax WACC to estimate the allowance for a return on assets in the revenue requirement. Our decision on the tax allowance aims to replicate the tax payable by an efficient benchmark business, to promote efficient prices."

The forecast tax allowance for the next determination period is shown in Table 17.

Table 17: Tax allowance calculation ($2025-26, $M)

	2026-27	2027-28	2028-29	2029-30	2030-31
Tax allowance	**1.1**	**1.5**	**1.8**	**2.2**	**2.5**

4.7 Revenue adjustments

IPART allows two revenue adjustments, relevant to the current pricing period. These are:

- Demand Volatility Adjustment Mechanism (DVAM), triggered when revenue from actual water sales varies more than 5 percent from forecast.
- Annual WACC adjustment – IPART will apply an end of period true-up to reflect annual changes in the cost of debt.

4.7.1 DVAM

Council's actual water sales are within 5 percent of the forecast, therefore no DVAM adjustment is required (*refer Technical Paper 7 Table 4 – Current pricing period forecast versus actual water sales).*

4.7.2 WACC adjustment

Council uses a constant WACC over the determination period and then undertakes a cost of debt true-up to account for the changes during the determination period.

We have used IPART's true-up calculator to determine an end of period upward adjustment of $17.8M. The true-up is shown in Table 18.

Table 18: Calculation of WACC true-up revenue adjustment

		2022-23	2023-24	2024-25	2025-26	Total
Total debt - IPART determined	$21-22 $M	822.6	822.6	822.6	822.6	
Cost of debt						
IPART determined	%	1.8%	1.8%	1.8%	1.8%	
Re-calculated	%	1.8%	2.0%	2.4%	2.8%	
Return on debt						
IPART determined	$21-22 $M	14.8	14.8	14.8	14.8	59.2
Re-calculated	$21-22 $M	14.8	16.5	19.7	23.0	74.0
Difference	$21-22 $M	0.0	1.6	4.9	8.2	14.8
Difference - Present Value	$21-22 $M	0.0	1.8	5.2	8.5	15.5
Difference - Present Value	**$25-26 $M**	**0.0**	**2.1**	**6.0**	**9.8**	**17.8**

5 Financeability

IPART undertakes financeability tests to:

- Ensure its pricing decisions allow an efficient investment-grade rated Council to raise finance and remain financeable during the regulatory period (benchmark test)
- Assess whether the actual Council would be financeable during the regulatory period (actual test)

IPART conducts a financeability test if:

- The prices IPART regulates determine the revenues of the service provider
- The provider is established as, or part of, an entity with a distinct capital structure.

The financeability test is comprised of benchmark and actual calculation of the following ratios:

1. **Interest Coverage** – This is calculated as Funds From Operations (FFO) plus interest expense divided by interest expense. This ratio measures a Council's ability to service its debt burden using the Council's cash flows.
2. **Fund from operation (FFO) divided by Debt**– This is a more dynamic measure of leverage than debt gearing because it measures a Council's ability to generate cash flows to service and repay debt.
3. **Debt gearing (gearing)** – This is calculated as debt divided by the regulatory value of fixed assets, i.e., the RAB. It measures a Council's leverage.

The ratios are then compared to IPART's targets shown in Table 19.

Table 19: IPART ratio targets

Ratio	Benchmark test	Actual test
Interest cover	> 2.2x	> 1.8x
FFO over debt	> 7.0%	> 6.0%
Gearing	< 70%	< 70%

5.1 Historical financeability

In the 2022 determination, IPART used the results of a 2021 financeability assessment of the Council. The results were provided for:

- Benchmark test ratios (Table 20)
- Actual rest ratios (Table 21)

Council was forecast to outperform two of the ratios, Interest Cover Ratio and Gearing, with the FFO over debt not considered sufficient to warrant a change in pricing decision.

Table 20: 2021 Financeability benchmark ratios

Ratio	Benchmark test	2022-23	2023-24	2024-25	2025-26
Interest cover	>2.2x	4.6	4.4	5.3	5.3
FFO over debt	>7.0%	6.2%	6.1%	7.8%	7.8%
Gearing	<70%	60.0%	60.0%	60.0%	60.0%

The results of the actual test suggested that Council would substantially exceed the ratios.

Table 21: 2021 Financeability actual ratios

Ratio	Target	2022-23	2023-24	2024-25	2025-26
Interest cover	>1.8x	7.1	8.1	8.7	8.3
FFO over debt	>6.0%	29.8%	31.5%	35.2%	31.1%
Gearing	<70%	11.0%	11.9%	12.6%	14.3%

5.2 Forecast financeability

The forecast financeability of the Council over the next determination period has been undertaken and the results of the benchmark tests are shown in below in Table 22.

Table 22: Forecast financeability - benchmark test ratios against targets

Benchmark test ratio	2026-27	2027-28	2028-29	2029-30	2030-31
Interest cover	4.5	3.9	3.9	3.7	3.8
Target > 2.2x	✓	✓	✓	✓	✓
FFO over debt	7.9%	7.4%	7.3%	7.0%	7.2%
Target > 7.0%	✓	✓	✓	×	✓
Gearing	60.0%	60.0%	60.0%	60.0%	60.0%
Target < 70%	✓	✓	✓	✓	✓

Similar to the 2022 pricing proposal, Council is forecast to outperform two of the ratios, Interest Cover Ratio and Gearing. The FFO over debt is higher than the target for all but one of the years.

The results of the actual test ratios are shown below in Table 23.

Table 23: Forecast financeability - actual test ratios against targets

Actual test ratio	2026-27	2027-28	2028-29	2029-30	2030-31
Interest cover	51.9	19.6	14.1	14.7	15.2
Target > 1.8x	✓	✓	✓	✓	✓
FFO over debt	91.6%	64.1%	67.5%	67.8%	90.6%
Target > 6.0%	✓	✓	✓	✓	✓
Gearing	5.5%	7.4%	6.9%	6.7%	5.1%
Target < 70%	✓	✓	✓	✓	✓

Council outperforms the actual test ratios and is well-placed from its actual Council position in the next period under the current pricing proposal.

6 Estimating bill impacts for the 2031-36 pricing period

Council has 10-year investment plans that set the future requirements for Water and Sewer. These forecasts have been developed to understand the long-term impacts to our customers that reflect their long-term interests.

The long-term interests of the community are related to:

1. Asset performance relevant to delivering quality water
2. Reliable service - ensuring that Asset management plans are in place for effective management of ageing assets
3. Asset resilience in relation to climate change
4. Central Coast Water Security Plan (CCWSP) that provides the long-term strategic plan for Local Government Area (LGA). This is to ensure that Council has plans in place to ensure a sustainable and resilient water supply over the next 30 years.

The indicative capital program for the 2031-36 remains stable (refer Table 24) by comparison to the forecasts for the 2026-31 determination period. It is anticipated that the future pricing will produce no material difference to forecast prices (2026-31). There are no unforeseen large investments that have been deferred in the 2026-31 price path and moved to the 2031-36 period. This stability is based on the assumptions that there are no large increases to operational expenditure based on changing regulations or licencing conditions.

In the 2026-31 price path Council is contributing $75.9M ($2025-26) from its reserves to reduce the revenue needed related to operational expenditure. This was to address affordability in relation to community concerns. The base operational expenditure from 2031-36 may include some of this contribution resulting in higher revenue needs of Council.

It is also dependent on the economic movements in relation to the cost of debt and equity in regarding the Weighted Average Cost of Capital (WACC) or Demand Volatility Adjustment Mechanism (DVAM). In addition, it is hard to predict climatic conditions that may require Council to propose pass through costs related to drought conditions.

Table 24: Forecast Capital investment up to 2035-36 ($2025-26) $M

2026-27	2027-28	2028-29	2029-30	2030-31	2031-32 (LTFP)	2032-33 (LTFP)	2033-34 (LTFP)	2034-35 (LTFP)	2035-36 Est.
160.2	150.0	92.9	102.4	72.4	62.0	74.0	77.0	84.0	75.0

Source: Central Coast Council Long Term Financial Plan (LTFP)

Abbreviations

DVAM	Demand Volatility Allowance Mechanism
FFO	Funds From Operations
IPART	Independent Pricing and Regulatory Tribunal
NRR	Notional Revenue Requirement
RAB	Regulated Asset Base
STP	Sewage Treatment Plant
WACC	Weighted Average Cost of Capital

Central Coast Council | Water and Sewer

Technical Paper 6

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September 2025



Technical Paper 7

Demand for services

September 2025

Central Coast Council | Water and Sewer

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1 Key points

- The current population of the Central Coast Local Government Area (LGA) is 354,463.
- By 2030-31, the forecasted population of the Central Coast LGA is estimated to be 369,921.
- Water sales forecast completed using Integrated Supply Demand Planning (iSDP 2.0).
- Annual water consumption for the determination period in line with forecasts set in 2022. There is no revenue adjustment required using the Demand Volatility Adjustment Mechanism (DVAM).
- Forecast water sales estimated to increase to 29,084 ML by 2030-31
- Deemed sewage discharge factors to remain at 125kL for standalone residential properties and 80kL for residential properties within multiple or mixed multiple premises.
- By 2031, forecast billable connections for water is projected to increase from 145,935 in 2025-26 to 150,923 and sewer a projected increase from 142,336 in 2025-26 to 147,223.



2 Introduction

Central Coast Council (Council) provides water and sewer services to households, businesses, and industry across the Central Coast Local Government Area (LGA).

To calculate prices required to recover target revenues, Council has forecast water demand and sewage disposal volumes, together with the number of water and sewerage connections and population forecasts.

Forecasts proposed by Council and adopted by IPART are required to be as accurate as possible. If the forecasts are markedly different from actual outcomes, Council's revenue could vary significantly from target revenue.

Water sales of a utility can be impacted by factors including population growth, dry/wet years, climate change and water restrictions. Water sales forecasting can be limited by the available data associated with these factors.

Council used Integrated Supply Demand Model (iSDP) in its previous two submissions (2018 and 2022). The iSDP model was built by Council in 2017 and was maintained with support from the Institute for Sustainable Futures (ISF) at the University of Technology Sydney (UTS). ISF stopped supporting the iSDP but continued to develop its demand forecast modelling tools and thinking around end-use modelling with several projects with the Commonwealth Water Efficiency Labelling Scheme (WELS) group and Victoria's Department of Energy, Environment and Climate Action (DEECA). A 2024 UTS internal grant to consolidate these in-house bespoke models into a usable tool for Australian utilities has led to Council engaging ISF to review the latest Council data and provide a new end-use forecasting model, based on a revised and renewed model infrastructure. The new model is called iSDP2.0.

Council provides sewer services to approximately 98 percent of its residential water customers. The proportion of non-residential water customers provided with sewer services varies with the water meter size of the customers. Sewage disposal volumes are forecast from water usage statistics. Sewage discharge factors are applied to the estimated portion of metered water usage discharged into the sewerage system.

This Technical Paper sets out Council's proposed demand and billable connection forecasts, with explanation of forecast methodology and underlying assumptions.

3 Customer growth

3.1 Population serviced

The Central Coast LGA has a current population of approximately 354,463 people based on Council's consultant (.id- Informed Decisions) population forecasts (as at June 2024). However, not all the population living in the Central Council LGA is serviced for water and sewerage.

3.2 Water supply servicing area

Figure 1 shows the water supply servicing area for Council's supply scheme. Generally, residents on the western side of the M1 Motorway (Mangrove Mountain, Kulnura, etc) are not serviced by the Council supply scheme. Some rural and peri-urban properties on the eastern side of the M1 are not connected to the supply scheme, reducing the total residential population for forecast of water sales. Table 1 provides the actual and forecast population figures used for water sales forecasting.



Figure 1: Central Coast region: water and sewer serviced area

Table 1: Central Coast serviced population

Financial Year	Annual Movement %	Estimated Resident Population in Private Dwellings ^	Estimated Resident Population in Private Dwellings serviced with water #
2023-24	1.0%	351,510	344,526
2024-25	0.8%	354,463	347,424
2025-26	0.8%	357,412	350,315
2026-27	0.8%	360,176	353,027
2027-28	0.7%	362,656	355,459
2028-29	0.6%	364,888	357,637
2029-30	0.7%	367,415	360,109
2030-31	0.7%	369,921	362,561

^ Estimated Resident Population in Private Dwellings includes dwellings in areas that are not serviced by the water network. The source of this information is the Council Consultant, .id- informed decisions' website updated in June 2024.
Estimated Resident Population in Private Dwellings serviced with water is calculated by population information for suburbs not serviced by water, and GIS mapping of Council's water network.

3.3 Forecast population and dwellings

The demand for residential water supply is largely driven by the demographics of the region. The population, dwelling type, and occupancy (persons per dwelling) are key elements for water demand modelling. These demographics and growth forecasts are informed by the previous analysis by Council's consultant (.id).

The Central Coast has a mix of dwelling types including residential single houses, units and flats. Council used Australian Bureau of Statistics (ABS) data (Census) to determine the future population in single and multi-dwellings, and .id estimated the resident population in private dwellings and the average occupancy rate. This data is combined to provide the total number of occupied dwellings, subdivided into standalone houses and units/flats. The ratio of single dwellings to total dwellings has steadily been decreasing. It has dropped from 82% in 2016 to 81.1% in 2021 and downward trend is forecasted to continue and reach 79.5% by 2031.

Table 2 shows existing and forecast dwellings used for water demand/sales forecasting.

Table 2: Forecast growth in residential dwellings

Year	Estimated Single Dwellings	Estimated Multi Dwellings
2023-24	122,847	30,162
2024-25	123,594	30,676
2025-26	124,400	31,169
2026-27	125,223	31,633

2027-28	126,094	32,077
2028-29	127,011	32,448
2029-30	127,962	32,830
2030-31	128,931	33,205

The Central Coast is divided into two regions, North (former Wyong Shire Council) and South (former Gosford City Council) for the purpose of demand forecasting. Both regions have different growth rates and patterns of development. Due to availability of land, most of the green field development on the Central Coast is happening in the North region, whereas development in the South region is in-fill and redevelopment. Figure 2 shows the forecasted serviced population of both regions.

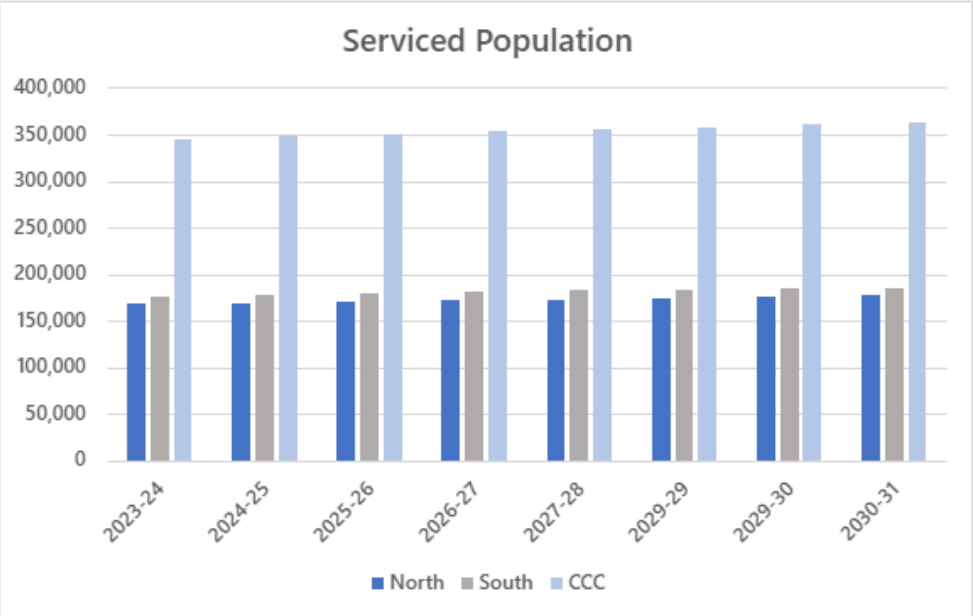


Figure 2: Central Coast serviced population



In the model, the estimated residential population in occupied private dwellings is used to forecast water sales for residential houses, units and flats separately. Figure 3 shows the distribution of dwellings in single and multi-dwellings (units and flats).

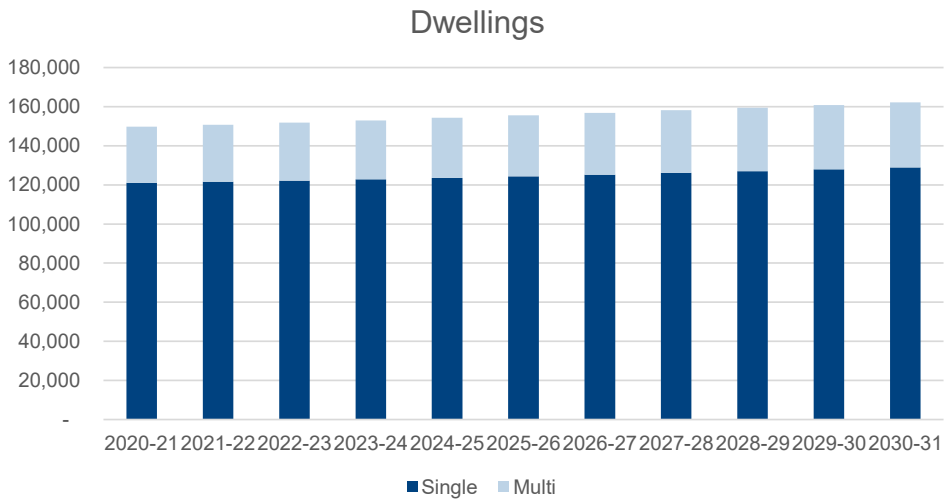


Figure 3: Central Coast dwelling forecast

The non-residential customers are segregated into various categories; commercial, industrial, education, recreation, government, health, aged care etc. In each segment, the top 5 high water users are picked up and their demand is forecasted individually based on mean of last 6 years of actual consumptions from 2018-23. For the balance, low water users in each category, their count is pegged to the growth of population respectively for North and South population forecast growth. The demand is forecasted using average consumption for each of these categories. Billable customer numbers used in tariff modelling are sourced separately from Council's billing system.

4 Forecasting water sales

4.1 Modelling approach

Council has used the newly built Integrated Supply Demand Planning (iSDP2.0) model to forecast the water sales forecast. The updated model is a hybrid approach which combines ground-up estimation of residential water demand through individual end uses (e.g. shower, toilet), and top-down estimations of non-residential water demand for each sector. The main advantage of this method is that it accounts for known changes in residential water efficiency in the near to mid-term. Figure 4 shows end-use modelling logic.

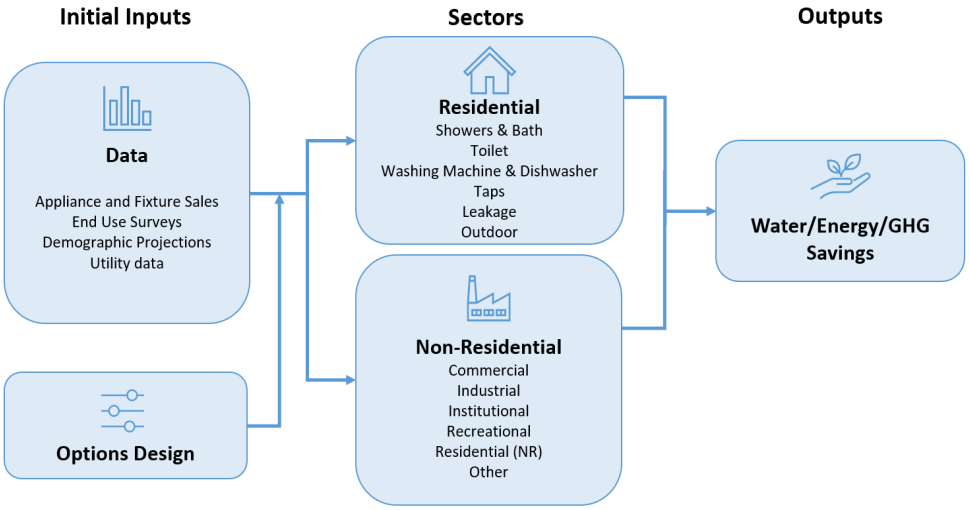


Figure 4: End-use modelling logic

The following sections detail how the hybrid ground-up and top-down approach is utilised for water demand forecasting. It is important to note that for the historical consistency, Council is interested to continue to keep the two main areas, North and South which are former Wyong Shire and Gosford City Council areas respectively. Data is kept separate for each area, including modelling residential and non-residential components before aggregation for a total forecast.

4.2 Residential water sales

Residential water demand is modelled through ground-up estimation of six main indoor end uses; shower, toilet, washing machine, dishwasher, taps and bath. For each component, the modelling considers the fundamental drivers of usage, for example, per person shower demand can be estimated as the multiplication of mean flowrate, duration, and frequency. Table 3 outlines the generic assumptions, their source and how they are forecasted. A full list of assumptions can be found in Appendix A of the Final Report of Central Coast Water Demand Forecast.

Table 3: Summary of data for residential modelling

Data	Source	Forecast
Behaviour	Literature Review	Constant (distribution)
Flow Rate	WELS Standard	Constant (distribution)
Appliance/Fixture Sales	Privately Licensed Data, Modelling based on WELS database	Modelling continued trends
Appliance/Fixture Lifetimes	Literature Review	Constant (distribution)
Stock	-	Calculated based on Sales and Lifetime

Literature based behavioural assumptions are based on results from Australian sources, typically end-use surveys. These surveys were completed frequently in Victoria during the 2000's and early 2010's (Roberts, 2003; Roberts 2004; Athuraliya et al 2008; Roberts 2012; Ghobadi et al, 2013; Redhead et al 2013, Roberts 2017) and other Australian States less frequently (QLD: Beal & Stewart, 2011; WA: Water Corporation, 2010). See F. Mazzoni et al (2023) for a worldwide review of these studies among others.

To consider the uncertainty of variables, particularly literature or assumed values, constants are treated as Log-Normal distributions with an error variance. Using properties of this distribution, both summation and multiplication can be evaluated mathematically to give a final water estimation as another Log-Normal distribution. This update to previous models allows for robust sensitivity calculations in the short-medium term forecast without the need for Monte-Carlo simulation. The model does not currently consider uncertainty in time, specifically around long-term sales, which results in smaller error estimates over the long-term horizon (20+ years).



4.3 Sales modelling

Data for the sales and stock component can be difficult to find as commercial interests are protective of sales data and regional specific stock surveys can be expensive to run. Demand for each water end use was calculated based on methodology from Fane et al 2024. The installed stock of different fixtures/appliance was determined based on sales estimations and their expected probabilistic lifetime. The mean flow rate of the region is then the multiplication of the installed stock proportions and the WELS rated flowrate for each technology. An example of sales can be seen in Figure 5.

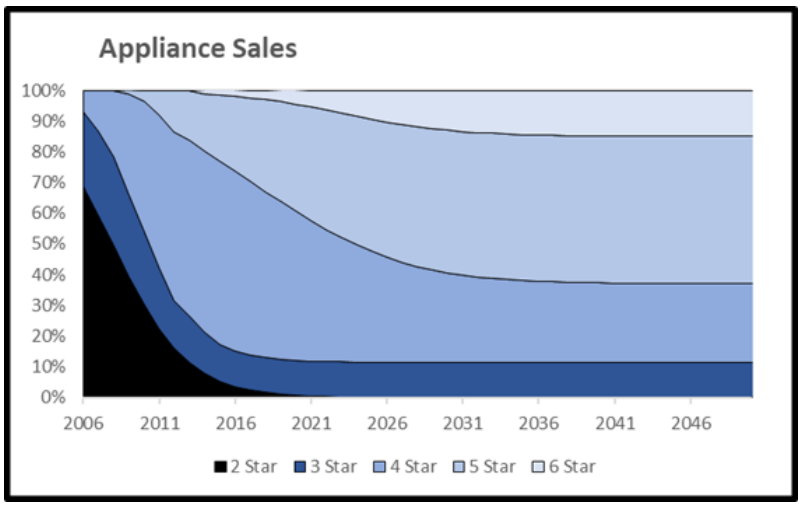


Figure 5: Modelled sales of dishwashers

Under a base case scenario, we expect the behaviour and flow rate to remain constant, which results in the standardised usage for end use changing over time based only on trends of sales (refer to Figure 6).

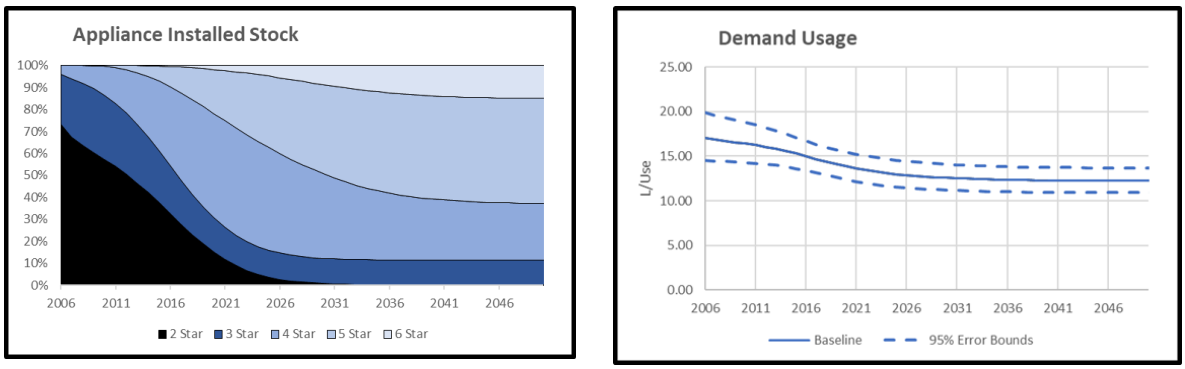
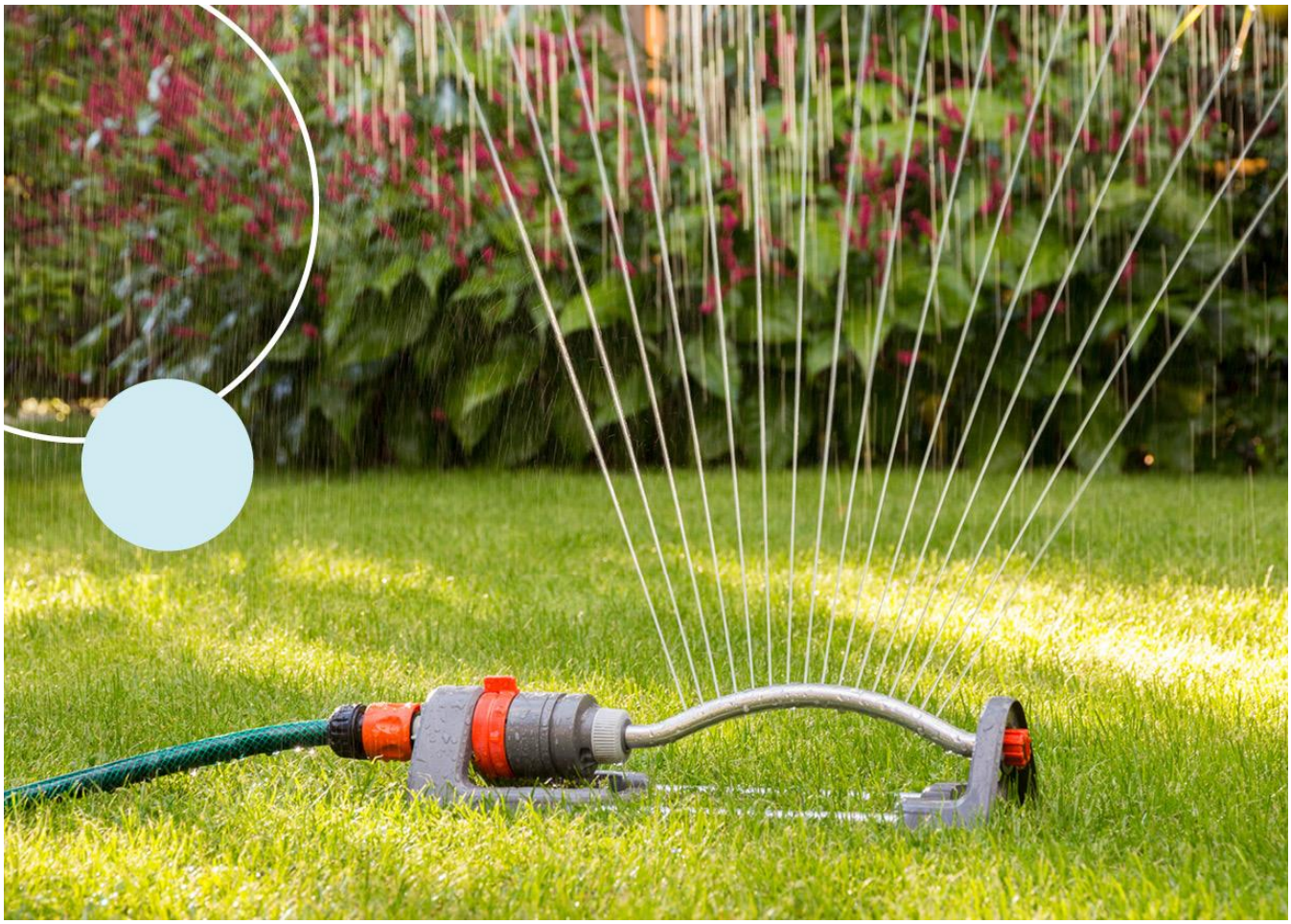


Figure 6: (A) Timeseries of installed appliance stock showing shifting efficiencies and (B) the resulting decrease in per capita demand.

4.4 Outdoor demand

Indoor uses and leakage are all considered independently and summed together to estimate the residential water indoor demand. This modelled indoor water demand and leakage is considered to be the "non-climate driven" water demand. The difference between this modelled value and actual Council billing data for residential customers is then considered to be outdoor or "climate dependent demand" – which includes irrigation, pools, car washing, rain tanks etc. Council's previous model considered the modelling of these components individually based on assumptions. Combining these components improves the forecasting, with the trade-off that Council is unable to measure the effects of any outdoor efficiency programs during future options analysis.

At a monthly scale, the calculated outdoor demand is linearly regressed with temperature and rainfall data to analyse the relationship between outdoor demand and climate. Figure 7 shows the relationship between outdoor demand and climate for North region single dwellings. Figure 7 uses the climate data for the regression downloaded from Scientific Information for Landowners (SILO) for the Dog Trap Road Station (61093).



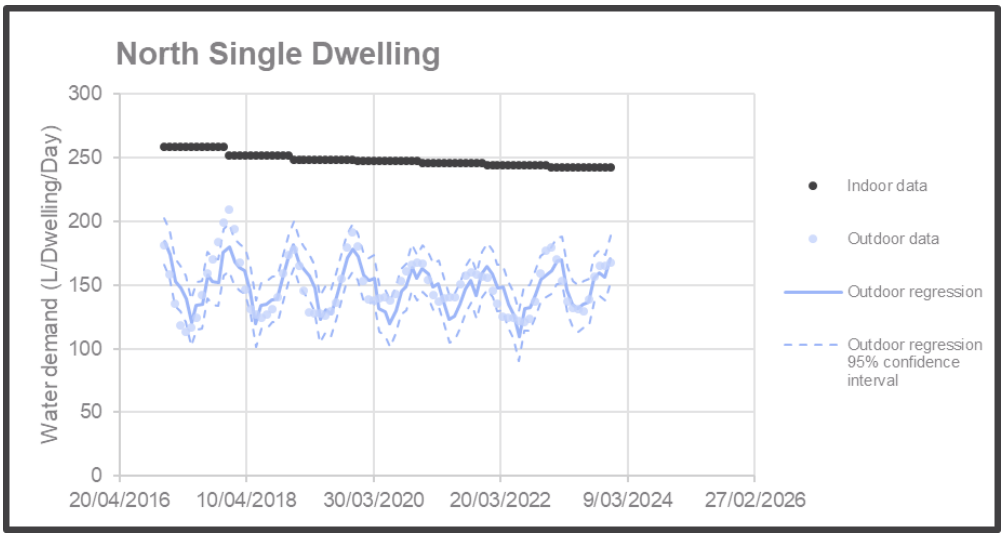


Figure 7: Example of modelled indoor and a regression trend on the outdoor component in single residential dwellings.

The resulting regression equations for the historical climate data and outdoor water demand are used with NARCliM2.0 climate projections for the Central Coast (Department of Climate Change, 2024) to forecast outdoor demand. The NARCliM2.0 ensemble average for the low and high emissions scenarios for rainfall and temperature was used for the forecasting. This time series was drawn from the Central Coast: Climate Change Snapshot (*ibid*) This is a departure from previous modelling which would only consider calibration on standard years and projected forward an average without the climate change signal.

The update allows the model, to consider the effects of climate change, in the longer term, on residential water demand, a key interest to Council to improve their forecasting methods. The high emission projections were used for the current short-term forecast; however, the choice of projection has no impact in the 5-year forecast. Beyond the medium term, the high emissions scenario had some impact on total demand while the low emission projections had little impact on total demand even in the long term, NARCliM2.0 data for high and low emission scenarios was only released in November 2024 and projections for the middle of the road emission scenario are yet to be released. Hence these were not used for the outdoor demand projections at this time. At present, the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) is working on building a consensus around how NARCliM2.0 data might best be used in a range of application including the range of climate models included and the three emissions scenarios.

4.5 Non-residential demand

Non-residential demand is considered on a sectoral basis using Council billing data. These are commercial, industrial, institutional (education, Government health), residential, recreation and other. The modelling in these sectors was a recommendation in a previous model review (Fane and Falletta, 2018).

For each sector, in each area (North and South), non-residential users are divided into intensive, high, and low which are each modelled differently:

- **Intensive users** - The model takes the top 5 users in each sector to be considered on an individual basis. By default, the average of input data is forecasted forward, however, if historically the demand is not consistent then further modelling should be done. On an individual basis, the demand of these intensive users has been regressed with population, climate or forecasted with the mean. In the future, to improve the forecast, Council could work with these top users to understand what drives their demand. Smart meter data of these customers can also be used to better understand their demand through statistical analysis.
- **High users** - In most sectors, the high users are chosen as the top 25 (30 taking into account the intensive users). This typically represents approximately 20% of the meters. For bigger sectors, this number is larger (195 for commercial and 45 for industrial). The count of meters (e.g. 25) is fixed in time and the forecast for high users is projected with the mean of this group.
- **Low users** - After removing properties which are considered as intensive and high usage, the remaining number of properties are regressed with the population. This adds a natural increase to the sectors as the Central Coast grows. As the demand of low users is consistent at a per property level, the mean is assumed forecast into the future.

Council has recently engaged AECOM to re-categorise their non-residential billing database and align it with ANZSIC code (AECOM, 2024). This is a good future step for Council to improve its analytics, however, due to the complications of non-residential modelling (e.g. non-homogenous usage, commercial in confidence etc.), these codes were aggregated and modelled at the broader sectoral categorisation above. While not relevant for this 5-year forecast, Council and ISF have discussed the potential for further research projects in

2025-26 to explore potentially more efficient ways to model the demand of individual sectors and make more extensive use of its updated database, particularly the use of .id data in terms of employment and economic output.

5 Actual and forecast water consumption

Growth in population and housing are the key drivers for water consumption and new connections across the Central Coast region, with dry and wet climatic conditions impacting the outcomes within any pricing period.

5.1 Current regulatory period

In 2022, IPART determined the Central Coast water forecast sales for the period 2022 to 2026 as provided in Table 4. The actual sales are within 2% less or more than the IPART determined figures for years from 2022-23 and 2024-25.

Table 4: Current pricing period forecast vs actual water sales

Category	2022-23	2023-24	2024-25	2025-26
Residential	20,867	20,966	21,076	21,190
Non-Residential	6,459	6,489	6,521	6,552
Total IPART Determined sales	27,326	27,456	27,596	27,742
Actual water sales	27,120	27,953	27,687	Not available till end of FY26

5.2 Next regulatory period

Using the methodology as explained in Section 4 - Modelling Approach – the forecast water sales are carried out for residential (indoor/outdoor) and non-residential sectors.

Forecasts are built up from projected changes in demographics over time as well as functions that reflect the shifts in the total stock of the plumbing products and appliances over time as well as the water efficiency of that stock for residential sector.

The outdoor end-use is the only residential category that is commonly determined using a top-down approach. Outdoor use is the difference between bottom-up modelling results for other end-uses and the historical metered consumption for residential customers. The climate change impacts are integrated for future forecast of outdoor demand.

The non-residential sector is divided into various segments; commercial, industrial, education etc. based on the recent customer classification of non-residential customers as per ANZSIC. For the purpose of forecasting water demand, all non-residential customer segments have been grouped into intensive (top 5), high (next 25) and low(remaining) customers. For intensive and high usage customers, their historical mean is used for future forecast. The count of low usage customers is forecast proportional to the population growth in both regions. The average usage of the low usage is used for forecasting water usage.

Table 5 and Figure 8 provide the forecast water sales for residential and non-residential sectors in megalitres/year for the pricing period. The forecast figures also include exempt customers usage.

Table 5: Water sales forecast (ML)

Category	2026-27	2027-28	2028-29	2029-30	2030-31
Residential	20,826	20,993	21,090	21,086	21,330
Non-residential	7,623	7,666	7,688	7,709	7,754
Total	28,449	28,659	28,778	28,795	29,084

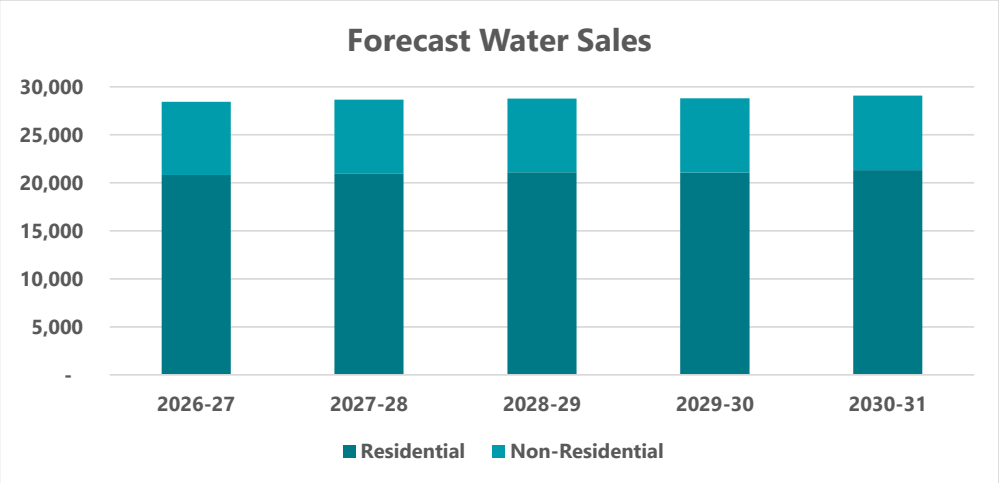


Figure 8: Forecast water sales

The forecasted water sales can be impacted by prevailing climate variability (dry and wet cycles), water restrictions, demand management measures and any variance in forecasted population growth. This can impact the revenue from water sales.

Council has used the 'Daily Tracking' model to inform the impact of climate. The cumulative frequency of five yearly (pricing period) demand factors on consumption in Figure 9 show low sensitivity (median value of 0.999) to prevailing climate conditions. It is shown that with prevailing conditions, there is low likelihood of future water demand varying by more than 2% because of climate variability. The resulting demand factors for selected percentiles are shown in Table 6.

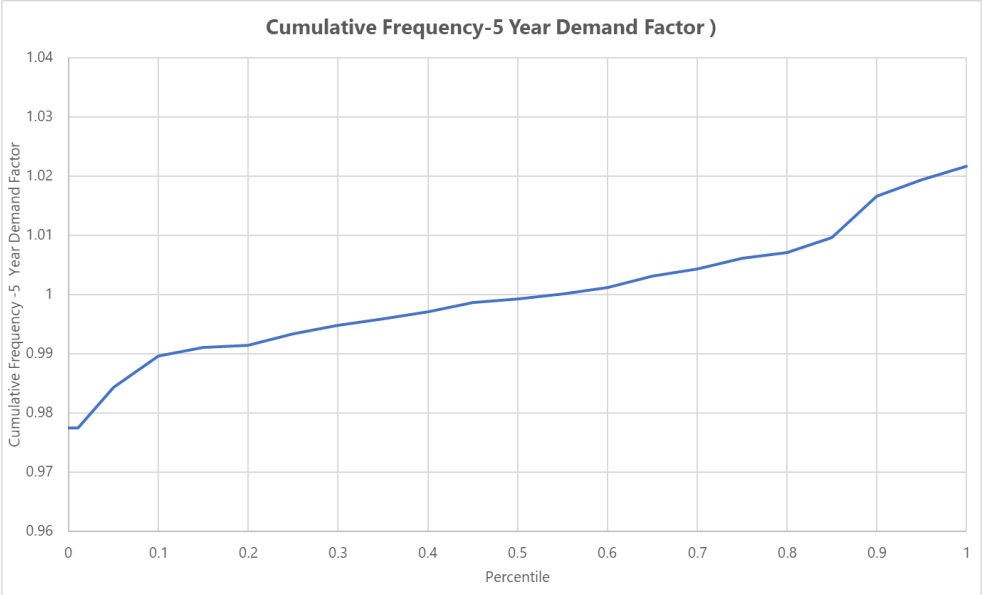


Figure 9: Cumulative frequency 5 year demand factors

Table 6: Demand outcomes for selected frequencies

Percentile	Demand Output
0.05	98.4%
0.25	99.3%
0.5	99.9%
0.75	100.6%
0.95	101.9%

In Council's next long-term water resources plan, Central Coast Water Security Plan, water conservation has been identified as a focus area which has potential to reduce water sales over the pricing path.
Council's main storage, Mangrove Creek Dam was 100% full in 2022, the first time since it was built in the 1980s. This was on the back of removing the cap on filling Mangrove Creek Dam above 80% its full capacity. The revised dam safety guidelines for risk-based assessment of the dam safety enabled the dam filling cap to be lifted. Mangrove Creek Dam is currently above 85% full. It is unlikely that water restrictions will be required in this pricing period.

The population forecast used for water demand forecasting is based on the latest ABS Census completed 2021. Any population trend changes that will be informed by the next Census in 2026 has the potential to impact demand in either way.

6 Actual and forecast sewage discharge volumes

Sewer usage for residential customers is based on property type and levied at a fixed charge to reflect the deemed usage. The deemed sewer usage is as follows:

- 125kL for standalone residential properties.
- 80kL for residential properties within multiple or mixed multiple premises.

Non-residential customers within mixed multiple premises have a deemed sewer usage of 125kL and are charged a fixed rate to reflect this. All other non-residential customers are liable for a volumetric sewer usage charge.

Sewage discharge volumes are a function of water sales. A sewage discharge factor is applied to water sales to reflect the estimated portion of metered water usage discharged into the sewerage system.

Only three of Council's non-residential customers are separately metered for sewage discharge. For other non-residential customers, a customer-specific discharge factor is applied based on the nature of the customer's business. See Technical Paper 8 for more detail on the deemed sewage discharge allowance and sewage discharge factors.

Variances between forecast and actual sewage discharge volumes reflect variances in overall non-residential water demand, as well as the mix of non-residential customers with different discharge factors (refer to Table 7).

Table 7: Sewage volume for non-residential customers

(ML/year)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
IPART 2021 Determination		4,023	4,043	4,064				
Actual (including wastewater usage from customers with a sewer meter)	3,964	4,147						
Forecast based on ratio of actual sewage and water usage charges			4,085	4,163	4,186	4,198	4,210	4,234

To forecast the overall volume of sewage discharged into the sewerage system by non-residential customers, previous year's non-residential sewage discharge as a proportion of non-residential water sales was applied.

7 Actual and forecast billable connections

Council's billable connections are used to calculate the level of fixed (service) charges. This is required to forecast the number of connections (up to 2031) so the spread of the revenue across all connections can be done accurately based on IPART's price modelling methodology.

This section outlines Council's water and sewer actual and forecast billable connections based on actual billable connections as at December 2024.

7.1 Water connections

Connection forecasts is based on the rate of historical connections, population, and dwellings growth and divided into three different categories:

- Residential (includes exempt)
- Non-residential (excluding exempt)
- Non-residential exempt

The growth of billable entities is forecasted to grow with the growth of serviced population. The actual relative growth of billable entities from the previous two years, 2022-23 and 2023-24, is taken as baseline for the forecast for residential customers. The annual growth in total connections is distributed in various meter sizes proportionally to the annual average change in 2022-23 and 2023-24.

The annual growth forecast of non-residential (excluding exempt) and non-residential (exempt) billable entities is based on the average annual growth rate for previous three years from 2021 to 2024. Table 8 provides the forecast of water billing connections for various categories.

Table 8: Forecast water billing connections for determination period.

Water Service Customer Type	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Residential (includes Exempt)	139,392	140,553	141,640	142,616	143,489	144,481	145,466
Non-residential (excluding Exempt)	3,938	3,949	3,960	3,971	3,982	3,993	4,004
Non-residential Exempt	1429	1433	1437	1441	1445	1449	1453
Total	**144,759**	**145,935**	**147,037**	**148,028**	**148,916**	**149,923**	**150,923**

7.2 Sewer connections

Historically, the residential sewer connections are close to 98% of the residential water connections. This knowledge is used to forecast the future residential sewer connection. The growth of billable connections for each residential sewer meter size category is forecast in proportion to the growth of water connections of corresponding water meter size using the above factor. For non-residential category the growth is assumed to be same as in water connection for non-residential categories. Table 9 below provides the forecast of sewer billing connections for various categories.

Table 9: Forecast sewer billing connections for determination period

Sewer Service Customer Type	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Residential (includes Exempt)	136,559	137,695	138,761	139,717	140,573	141,544	142,509
Non-residential (excluding Exempt)	3,689	3,700	3,711	3,722	3,733	3,744	3,755
Non-residential Exempts	977	981	985	989	993	997	1001
Total	**141,185**	**142,336**	**143,416**	**144,387**	**145,258**	**146,244**	**147,223**



Abbreviations

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
DCCEEW	NSW Department of Climate Change, Energy, the Environment and Water
DEECA	Victoria's Department of Energy, Environment and Climate Action
DVAM	Demand Volatility Adjustment Mechanism
GIS	Geographic Information System (mapping)
IPART	Independent Pricing and Regulatory Tribunal
iSDP	Integrated Supply Demand Planning
ISF	Institute of Sustainable Futures (UTS)
LGA	Local Government Area
SILO	Scientific Information for Landowners
UTS	University of Technology Sydney
WELS	Water Efficiency Labelling Scheme

References

- .id Informed Decisions, Central Coast population forecasts (as at June 2024).
- Institute for Sustainable Futures (UTS), Central Coast Water Sales Forecast for IPART pricing submission 2027-31, June 2025

Central Coast Council | Water and Sewer

Technical Paper 7

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September 2025



Technical Paper 8

Pricing of water and sewerage

September 2025

Central Coast Council | Water and Sewer

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1 Key points

- Beginning in 2023 and extending to 2025, Council initiated engagement with our community regarding:
    - Their values in relation to the Council's water and sewer services.
    - What the most important value is regarding services delivered.
    - Service level targets and performance.
    - If the community was willing to pay for improving performance and reducing service level targets.
    - Bill structure
    - The community preferred one increase in the bills and then to remain stable (other than CPI). In addition, the preference was to have a higher water usage charge, as it would allow better control over the bill. While the community expressed a preference for bill structure and control, this does not imply broad support for price increases, noting that customers did understand the need to invest.
- The community showed support for paying an additional $1 per year on their bill to increase the length of water mains cleaning from 50 to 100 km. Water quality emerged as the most important customer value, and the proactive nature of this program aims to prevent future problems. The discretionary expenditure for the mains cleaning is included in the proposed prices.
- Total bills increasing from $1,553.23 in 2025-26 ($2026-27) to $1,676.36 in 2026-27 ($2026-27) an 8.0% increase.
- Water usage charge will reference the LRMC it will increase from $2.70 in 2025-26 ($2026-27) to $3.18 in 2026-27 ($2026-27) a 17.8% increase.
- Water service charge for a 20mm meter will decrease from $366.04 in 2025-26 ($2026-27) to $222.92 in 2026-27 ($2026-27) a 39.1% reduction.
- Water usage charge will increase (based on 180kL) from $486.00 in 2025-26 ($2026-27) to $572.40 in 2026-27 ($2026-27) a 17.8% increase.
- Sewerage service charge will increase from $561.19 in 2025-26 ($2026-27) to $766.64 in 2026.27 ($2026-27) a 36.6% increase.
- The sewerage usage charge will decrease from $1.12 in 2025-26 ($2026-27) to $0.92 in 2026.27 ($2026-27) a 17.9% reduction.
- Currently Council provides pensioners with a reduction of 50% of the water supply service and water usage charges levied up to a maximum of $87.50 per annum. A further reduction of 50% of sewerage service and sewerage usage charges is levied up to a maximum of $87.50 (residential customers only).
- Council will be using a total of $75.9M in reserves ($2025-26) to assist in funding operational expenditure.
- Proposed prices in this document are shown in $2026-27 using an anticipated Consumer Price Index (CPI) provided by IPART of 2.9%. which is the March 2026 forecast (Definitive Mean Consensus inflation forecast as at 16/01/25).

2 Introduction

Unlike other Local Water Utilities, Council, when setting prices does not reference the Department of Planning and Environment (DPE) "Best Practice Management of Water Supply and Sewerage Guidelines". Council is legislated to reference IPART's Regulatory framework. Council is the only local water utility where pricing and developer charges are regulated by IPART.

Central Coast Council (Council) has calculated water and sewer prices that allow for the recovery of proposed target revenues. The proposed pricing allows Council to recover the revenue between residential and non-residential customers via the fixed and usage charges for water and sewer. This pricing reflects IPART's best practice principles and past IPART decisions.

The bills have been calculated to remain consistent in real terms[1] throughout the proposed determination period. This was evidenced by the recent community engagement where participants preferred flat and steady bills. In addition, there was preference for a higher usage charge to allow better control and affordability. This was evidenced where 77% of customers surveyed wanted the bulk cost in the usage charge.

The following options were presented to the community.

- **Bill structure** – one jump and remain stable other than consumer price index (CPI) for the remainder of the determination period or a gradual increase (flight path) each year over the determination period (also increasing with CPI). Alternatively starting with higher bill in year one and then decreasing over the determination period.
- **Bill control** - The apportionment of the bill between usage and service charges. The scenarios were a higher water usage charge and a lower service charge, lower usage charges and higher service charges or evenly split.

Generally, the community preferred one increase in the bills and then to remain stable (other than CPI). In addition, the preference was to have a higher water usage charge, as it would allow better control over the bill. The forecast bill shows the split that 72% is from water usage and 28% from service charges. Sewer charges are different where most of the bill comes from the service charge and not the deemed usage.

Bills are calculated by summing up the total revenue required for the proposed 5-year determination period and smoothing the billing evenly so the only increase will be the application of the Consumer Price Index (CPI) per annum.

When establishing Council's pricing for the 2026 determination period, the community was engaged to gather feedback on proposed increases to pricing for specific issues regarding

[1] $Real are prices shown in $2026-27 without future CPI added. $Nominal are prices where anticipated CPI is included in prices.,

community values related to water quality, reliable services and a rebate program related to water conservation.

Getting the community involved

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

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

During each engagement, these values were revisited to determine if there was a shift in importance. However, the values remained constant.

The community showed support for paying an additional $1 per year on their bill to increase the length of water mains cleaning by 50km. Water quality emerged as the most important customer value, and the proactive nature of this program aims to prevent future problems. In addition, while there was limited support to reduce unplanned water outages using S-Gate valves, non-residential customers showed strong support as water continuity plays a crucial role in manufacturing.

In response, the Council will invest money in both water mains cleaning, reduce the target from 7 to 5, as well as the use of S-Gate[2] valves to reduce water outages. A focus on improving current performance related to sewer overflows.

This Technical Paper details Council's current bills, its proposed billing for water and sewer services, and the reasons for its proposed bills.

[2] S-Gate valves are a type of resilient seated gate valve designed for potable water systems, allowing installation without disrupting the water supply.

3 Background

3.1 How Council determines the price for water and sewer

Council's customers live in different types of residences including both residential and non-residential properties, therefore the way Council bills its customers is varied.

For residential properties there are:

- Standalone properties - houses where there is one 20mm meter to the property.
- Multi premises (apartment, duplexes etc.) where the residences are individually metered or have a shared meter. These residences can be strata or non-strata.
- Mixed multiple residences (residential and non-residential are in the same property e.g. residences that are on top of shops) where there is a common meter.
- Retirement villages where there is a shared meter/s
- Unmetered properties - where there is a service line to the property but not a meter.
- Unconnected property – where there is no connection to the water and sewer infrastructure.
- Exempt properties – properties exempt includes hospitals, public land, charities, cemeteries, and Aboriginal land Council.

Water service (Dwelling based) and usage charge

Except for retirement villages, water service charges are billed based on dwelling (not the size of the meter). For example, a person living in a unit within a residential six-unit apartment block, receives a water service charge which is the same charge as a person living in a house. Each apartment is deemed to be a dwelling even though it has a shared meter. Usage is measured through the meter and then apportioned based on the unit entitlement (Strata).

Sewer service (Dwelling based) and usage charge

Except for retirement villages, service charges are based on dwelling (not meter). Like the water service charge, a person living in a unit within a six-unit apartment block would receive a sewer service charge, the same charge as a person living in a house (there is normally a 75% reduction on the sewer service charge for residential properties). Usage is deemed and varies whether is it a multi premise or standalone property. Multi premises have a deemed sewerage usage of 80kL, and a standalone house is 125kL.

Retirement village pricing is based on the meter size, like non-residential properties. Council bills the owner of the retirement village and then it is the owner of the retirement village's responsibility to apportion the charge amongst residents.

For Non-residential properties there are:

- Standalone properties where there is one meter.
- Multi premises with individual meters.
- Multi premise where there is a shared meter.
- Unmetered property -where there is a service line to the property but not a meter.
- Unconnected property – where there is no connection to the water and sewer infrastructure.
- Exempt properties – properties exempt includes hospitals, public land, charities, cemeteries, and Aboriginal land Council.

Water service and usage charge

Non-residential properties are billed based on the meter size. The meter size varies according to the business and the required meter to service it needs. Meter sizes vary from a 25mm to a 100mm. The larger the meter the higher the service charge. Usage is billed based on the consumption that goes through the meter.

For non-residential properties that share a meter, the charge is divided by the number of properties. This is the same for water usage where it is divided by the number of properties or by the unit entitlement.

Sewer service and usage charge

The sewer service charge, like the water service charge for non-residential properties, is based on the meter size. For non-residential properties that share a meter, the charge is divided by the number of properties.

Sewer usage is based on the water consumption, however depending on the type of business, a discharge factor is applied that reduces the sewer usage applied.

Unmetered property

Unmetered properties where there is a water service line or sewer sideline connected to the property but does not have a meter, are charged a service charge. The exception being where there has been a requested disconnection. Water usage is only charged if there has been previous consumption within the previous billing period.

Exempt properties

Exempt properties pay only water and sewer usage charges.

3.2 Bill comparison

Summary bill impacts are provided in the table below for residential properties, showing combined movement in prices from the:

- 2022-2026 determination period (last year)
- 2026-2031 determination period (first year)

Table 1: Current and proposed typical residential bills ($2026-27)

Assumptions 3 bed house 1x20mm meter Annual metered water usage of 180kL*	2022 Current Determination 2025-26 Central Coast Council LGA ($2026-27)	2026 Proposed Determination 2026-27 Central Coast Council LGA ($2026-27)
Water service	366.04	222.92
Water usage (kL x usage charge)	486.00	572.40
Sewer service (includes usage @125kL x usage charge)	701.19	881.04
TOTAL bill	**$1,553.23**	**$1,676.36**
Percentage change		**8.0%**

*kL = kilolitre = thousand litres, sewer service charge for residential includes 75% discharge allowance.
Stormwater drainage has been removed as this is no longer part of the proposed determination period.

4 Water prices

4.1 Current water prices

Water prices consist of a fixed service charge and volumetric usage charges.

4.1.1 Water usage charge

The water usage charge is applied to the volume of water that is used by Council's customers. The average household usage is approximately 180kL per year. Usage charges normally account for most of the bill.

Council's water usage charge is currently $2.62/kL in $2025-26 and is set with reference to the Long Run Marginal Cost (LRMC refer section 4.1.5).

4.1.2 Water service charge

The water service charge is a fixed annual charge and serves, in part, to recover the costs of providing water services that are not recovered via the water usage charge.

A common service charge is applied to residential customers regardless of the dwelling type or metering arrangements. The service charge that non-residential customers pay is based on their meter size using a 20mm equivalent as the basis to the final price[3]. The current service charge for a 20mm meter being $355.72 ($2025-26). Please refer to Table 2.

Table 2: Example of current water bills - non-residential consumption is higher than the average for residential here for illustrative purposes only using 180kl ($2025-26)

Water	Service charge ($2025-26)	Usage per kL ($2025-26)	Usage charge based on 180kL ($2025-26)	Average bill ($2025-26)
20mm	355.72	2.62	471.60	827.32
25mm	555.81	2.62	471.60	1,027.41
40mm	1,422.88	2.62	471.60	1,894.48
50mm	2,223.25	2.62	471.60	2,694.85
80mm	5,691.52	2.62	471.60	6,163.12
100mm	8,893.00	2.62	471.60	9,364.60

When setting prices, Council ensures that it complies with IPART's pricing principles that are illustrated below.

IPART's overarching principles

[3] The 20 mm equivalent is using the following methodology Meter size(squared)* 20mm price/400.

Using a 25mm meter = 25*25 =625 *$355.72 /400 = $555.81

IPART's principals related to prices are highlighted in IPART's *Water Regulation Handbook framework July 2022 Chapter 4 "Elements of a pricing proposal" page 49*.

IPART expects Council to engage with their customers on how they propose to set service charges and how they have considered the following principles:

- water and sewerage service charges reflect the capacity available for the customer (based on size of water connection)
- service charges for houses and apartments are similar,

In addition, Council is expected to engage with their customers/community on price structure. Council may propose prices diverging from usage prices related to the Long Run Marginal Cost (LRMC) if there are clear customer preferences.

Proposed water usage price and service charge

Council's proposed water prices are set in accordance with IPART's pricing principles. The usage charge is set with reference to the long run marginal cost (LRMC) of water supply and customer preferences. The fixed service charge is calculated as a balancing item to allow the overall recovery of the water revenue requirement.

4.1.3 Proposed water usage and service charges and example bills

The current and proposed prices for standard 20mm[4] residential customers are shown in Table 3. Non-residential charges are shown in Table 4. Bill impacts are shown in Table 5 and Table 6.

All the requested expenditure is based on thorough analysis of the critical needs of Council to ensure that it can provide sustainable and efficient services for its community.

Table 3: Water bills - standard residential 20mm service charge shows current and proposed in $2026-27 (applied CPI of 2.9%)

	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
Service charge ($ pa)	366.04	222.92	-39.1%
Usage charge ($/kL)	2.70	3.18	17.8%

Note: the service charge applies equally to those living in houses, apartments, multi premises, mixed multi premise and unmetered properties. Exempt properties pay for water and sewer usage only. The table above and below sets the price for the meter sizes in Council's current fleet. The prices to be charged for any meter not currently in Council's fleet the following formula to be used: (meter size mm)2 x water services charge for a 20mm Meter /400

[4] *All services charges are based on the 20mm equivalent e.g. the IPART formula is applied*

(meter size mm)2 x water services charge for a 20mm Meter /400 for a 25mm = $571.93 ($2026-27)

Table 4: Water non-residential service charge based on meter size shows current and proposed in $2026-27 (applied CPI of 2.9%)

Water Service charge ($pa)	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
25mm	571.93	222.92	-39.1%
32mm	937.04	348.31	-39.1%
40mm	1,464.12	570.68	-39.1%
50mm	2,287.69	891.68	-39.1%
65mm	3,866.25	1,393.25	-39.1%
80mm	5,856.50	2,354.59	-39.1%
100mm	9,150.78	3,566.72	-39.1%
150mm	20,589.52	5,573.00	-39.1%
200mm	36,603.59	12,539.25	-39.1%
Usage charge ($/kL)	2.70	3.18	17.8%
Using 300kL	810.00	954.00	17.8%
Exempt (usage only)	2.70	3.18	17.8%
Using 300kL	810.00	954.00	17.8%

Note: Water usage is charged at $3.18 per kL and this needs to be added to the service charge based on 300kL

Table 5: Water Bill impacts residential 20mm connection 180kL per annum shows current and proposed in $2026-27 (applied CPI of 2.9%)

	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
Service charge	366.04	222.92	-39.1%
Usage charge (180kL)	486.00	572.40	17.8%
TOTAL	**852.04**	**795.32**	**-6.7%**

Table 6: Bill impacts non-residential various meter sizes and 300kL per shows current and proposed $2026-27 (applied CPI of 2.9%)

Non residential - assume 300kL p/a	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
Service charge 25mm	571.93	348.31	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**1,381.93**	**1,302.31**	**-5.8%**
Service charge 32mm	937.04	570.68	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**1,747.04**	**1,524.68**	**-12.7%**
Service charge 40mm	1,464.12	891.68	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**2,274.12**	**1,845.68**	**-18.8%**
Service charge 50mm	2,287.69	1,393.25	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**3,097.69**	**2,347.25**	**-24.2%**
Service charge 65mm	3,866.25	2,354.59	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**4,676.25**	**3,308.59**	**-29.2%**
Service charge 80mm	5,856.50	3,566.72	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**6,666.50**	**4,520.72**	**-32.2%**
Service charge 100mm	9,150.78	5,573.00	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**9,960.78**	**6,527.00**	**-34.5%**
Service charge 150mm	20,589.52	12,539.25	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**21,399.52**	**13,493.25**	**-36.9%**
Service charge 200mm	36,603.59	22,292.00	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**37,413.59**	**23,246.00**	**-37.9%**
Service charge 250mm	57,193.11	34,831.25	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**58,003.11**	**35,785.25**	**-38.3%**
Service charge 300mm	82,358.07	50,157.00	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**83,168.07**	**51,111.00**	**-38.5%**

Non residential - assume 300kL p/a	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
Service charge 350mm	112,098.49	68,269.25	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**112,908.49**	**69,223.25**	**-38.7%**
Service charge 400mm	146,414.35	89,168.00	-39.1%
Usage charge (based on 300kL)	810.00	954.00	17.8%
Total	**147,224.35**	**90,122.00**	**-38.8%**

Note. the sewerage usage of 300kL is indicative only as sewerage usage for non-residential customers varies across different business types and water consumption.

4.1.4 Pensioner Rebates

Currently Council provides pensioners with a reduction of 50% of the water supply service and water usage charges levied, up to a maximum of $87.50 per annum. A further reduction of 50% of sewer service and sewer usage charges is levied up to a maximum of $87.50 (residential customers only).

The pensioner rebate is calculated based on the percentage ownership of the property.

For example, where a property is jointly owned and only one property owner is an eligible pensioner, the maximum pensioner rebate is 50%. Maximum rebate is $43.75 per annum being $87.50 x 50%.

Pensioner rebates are applied to service charges first and then to usage charges if there is any remaining.

4.1.5 Long run marginal cost of water supply

The usage tariff, which is the amount paid per kL, is set as the long run marginal cost (LRMC) of water supply.

The Long Run Marginal Cost (LRMC) of a utilities water supply scheme is a preferred guide when setting water usage prices. IPART utilise the LRMC as price signal for the long-term value of water being used by customers.

Hunter Water Corporation (HWC) and Central Coast has a water sharing agreement which allows mutual transfer of water between both water supply systems.

Hunter Water Corporation (HWC) has developed its Lower Hunter Water Security Plan (LHWSP) around the same time council developed its Central Coast Council Water Security Plan (CCCWSP). The augmentation of any of the water supply systems enhances the yield of the water supply system on the other side of the boundary as described in both plans. Please refer to Table 7.

Table 7: Supply portfolio - A2 and proposed augmentation year

Supply portfolio – A2	Augmentation year
Existing spare capacity	2025
Hunter Water Belmont desalination plant benefits	2030
Increased utilisation of ground water	2031
Expand existing sewage treatment plant-based recycling schemes (low-high)	2037
Potable recycled water (6ML/d)	2041
Desalination plant (30 ML/d) ON@45;OFF@55	2057

The LRMC is calculated as the discounted cost per megalitre (ML) of the supply portfolio based on the capital and operating costs of the portfolio infrastructure. The LRMC calculations are shown in Table 8.

Table 8: LRMC calculations

Augmentation	Unit	NPV ($2025-26)
Existing spare capacity	$million	7.3
Hunter Water Belmont desalination plant benefits	$million	1.4
Increased utilisation of ground water	$million	10.4
Expand existing sewage treatment plant-based recycling schemes (low-high)	$million	9.9
Potable recycled water (6ML/d)	$million	68.6
Desalination plant (30 ML/d) ON@45;OFF@55	$million	116.3
Total	**$million**	**213.9**
Additional demand	kL	69,127
LRMC	**$/kL**	**3.09**

5 Sewerage prices

5.1 Current sewer price structure and prices

Council's current sewer prices consist of a fixed service charge based on a 20mm service and a usage charge.

For residential properties there is a deemed usage, which is currently 125kL for a house and 80kL for mixed premises (apartment).

Residential properties also have a fixed sewer discharge factor of 75% which reduces the service charge by this percentage.

Non-residential customers have the service charge based on the size of their meter and the usage is based on the water consumption with a discharge factor applied to both, which is relevant to their type of business.[5] This discharge factor can range from 72-95% which reduces the sewer usage (as not all water through the meter goes to the sewerage network) and the service charge.

5.1.1 Sewer service charge

The sewer service charge is a fixed charge at a rate to recover the capital and operating costs of the sewerage system. Most of the costs associated with providing sewer services are fixed and do not vary with the volume of sewage. Unlike water, where most of the revenue is recovered via usage charges, sewer revenue is recovered mostly via service charges.

The service charge is calculated with reference to the water meter size and a discharge factor. For residential properties this is a 20mm service. For non-residential properties, like water, the service charge is based on a 20mm equivalent[6].

[5] *A discharge factor reduces the amount of consumption charged understanding that the metered water is not necessarily the water that is discharged to the sewer network.*

[6] *All services charges are based on the 20mm equivalent e.g. the IPART formula is applied*

(meter size in mm)2 x sewer service charge for a 20mm Meter /400

5.1.2 Sewer usage charges

The variable tariff for sewer is the Short Run Marginal Cost (SRMC) of sewage transport and treatment. The SRMC represents the cost of transporting and treating an additional kL of sewage. Previous IPART determinations have noted that the SRMC does not provide a longer-term price signal on the cost of treatment and transport for the customer. But the inability for customers to materially change their sewer discharge means that a LRMC is not considered appropriate. For this submission, the SRMC will continue to be used.

The SRMC is based on the annual sales volume of sewerage and the variable costs associated with its treatment and transport (Please refer to Table 9).

The current deemed usage for residential is 125kL for residential (houses) and 80kL for multi residential premises (apartments). Non-residential properties are based on the water consumption multiplied by a discharge allowance. There is no intention to change these parameters for the 2026 determination.

Table 9: 2024-25 SRMC variable cost categories

Variable cost categories	2024-25 Base Opex ($'000)
820001. Materials	4,102
820004. Chemicals	788
820010. Fuel	270
820013. Oils and Lubricants	24
821007. Contracts - Other	6,000
821008. Effluent Collection	106
870031. Electricity	5,693
TOTAL $2024-25	**16,983**
TOTAL $2025-26	**17,442**

The total variable costs, volumes and SRMC are shown in Table 10.

Table 10: SRMC calculation $2025-26

Financial year ending 30 June	Units	
Variable costs (above)	**$2025-26 $'000**	**17,442**
Annual volume	**kL**	**19,617**
SRMC	**$/kL**	**0.89**

5.2 Proposed sewer usage and service charges

Council's proposed sewer charges should allow the recovery of target revenue. The revenue required is detailed in Technical Paper 6.

Investment in the sewerage network is primarily due to upgrades to Council's sewage treatment facilities to provide capacity for growth or meet environmental regulatory requirements (see Technical Paper 4).

Council is proposing to maintain the 75% discharge allowance for residential customers as well as the 125kL deemed sewage usage for houses and 80kL for apartments.

The proposed residential bill impacts are shown in Table 11.

Table 11: Proposed residential sewer bill shows current and proposed in $2026-27 (applied CPI of 2.9%) includes 75% discharge allowance.

	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
Service charge ($ pa)	561.19	766.64	36.6%
Usage charge 125kl	140.00	115.00	-17.9%
Usage charge 80kl	89.60	73.60	-17.9%
Usage charge ($/kL)	1.12	0.92	-17.9%

There is a different deemed usage between residential and multi premises. Apartments etc have a deemed usage of 80kL whereas a house is 125kL. Note: the service charge applies equally to those living in houses, apartments, multi premise, mixed multi premise and unconnected properties. Exempt properties pay for water and sewer usage only (usage charge).

The proposed non-residential charges are shown in Table 12.

Table 12: Sewer non-residential service charge based on meter size shows current and proposed in $2026-27 (applied CPI of 2.9%)

Connection size Non-residential	Current prices 2025-26 ($2026-27)	Proposed prices 2026-27 ($2026-27)	Change %
20mm	748.25	1,022.18	36.6%
25mm	1,169.14	1,597.16	36.6%
32mm	1,915.52	2,616.78	36.6%
40mm	2,993.01	4,088.72	36.6%
50mm	4,676.58	6,388.63	36.6%
65mm	7,903.37	10,796.78	36.6%
80mm	11,972.04	16,354.88	36.6%
100mm	18,706.31	25,554.50	36.6%
Exempt (usage only)	1.12	0.92	-17.9%
Sewer usage charge	1.12	0.92	-17.9%

These prices do not include the discharge factor – the maximum to be paid. Exempt properties pay for sewer usage only based on water consumption and discharge factor (usage charge). Exempt properties pay for water and sewer usage only. The table above sets the price for the meter sizes in Council's current fleet. The prices to be charged for any meter not currently in Council's fleet the following formula to be used: (meter size mm)2 x service charge for a 20mm Meter /400

6 Bill impacts

Figure 1 and Table 13 andTable 14 below show the proposed water and sewer bill for an average residential customer. This assumes a house with 180kL of water usage.

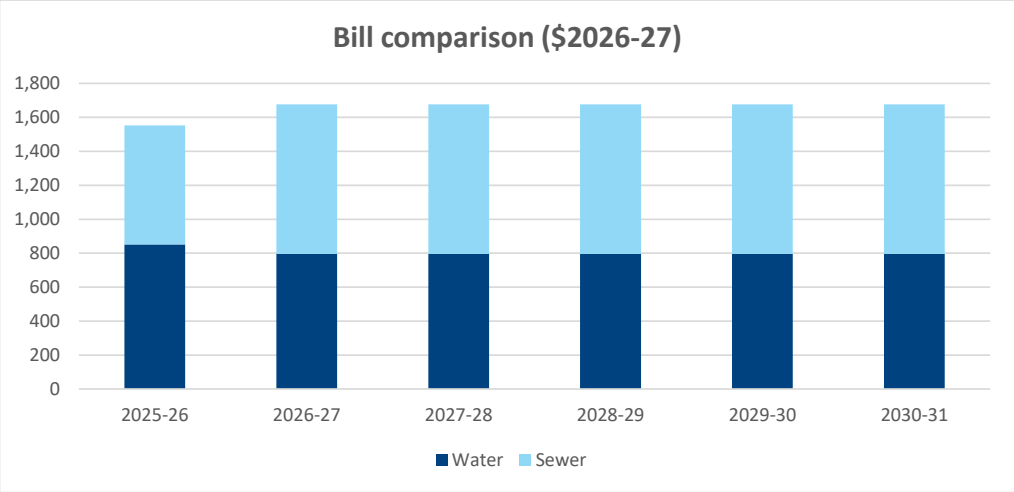


Figure 1: Total residential bill ($2026-27) last year of current determination compared to proposed 2026 determination

Table 13: Total residential bill ($2026-27) last year of current determination compared to proposed 2026 determination

Service	2025-26	2026-27	2027-28	2028-29	2029-2030	2030-2031
Water	851	795	795	795	795	795
Sewer	701	881	881	881	881	881
Total	**1,553**	**1,676**	**1,676**	**1,676**	**1,676**	**1,676**

Note Bills rounded for illustration purposes only. Based on a house with water consumption of 180kL

The proposal assumes a one-off price increase in the first year and then increases each year after that in line with inflation ($nominal). Table 14 below shows the increases each year assuming an inflation rate of 2.5% per year.[7]

Table 14: Total residential bill ($nominal) last year of current determination compared to proposed 2026 determination

Service	2025-26	2026-27	2027-28	2028-29	2029-2030	2030-2031
Water	827	795	815	835	856	878
Sewer	682	882	903	925	949	972
Total	**1,509**	**1,677**	**1,719**	**1,761**	**1,805**	**1,850**

[7] Used 2.9% to increase from $2025-26 to $2026-27 and used 2.5% for each year after 2026-27, as advised by IPART

Note Bills rounded for illustration purposes only. Based on a house with water consumption of 180kL

7 Non-potable water (unregulated charges)

Non-potable water usage information has been extracted from Council's billing system as of July 2024. Customer's bills are based on the non-potable water consumed except for two customers who have a contract with fixed charges. For the customers who are charged based on non-potable water consumed, the charge per kL is set at 50% of the potable water charge.

Customers with fixed non-potable water services have separate meters for non-potable water usage. Non-potable water meters are read in the same surveys as the more prevalent potable water meters. In Council's billing system, the non-potable meters can be distinguished from potable meters as the meter ID beings with "R" or the meter type includes "RW".

Water tankers transporting non-potable water can access a fixed filling station at Central Coast Stadium. Operators are identified by a coded key fob; volume of non-potable water taken is metered at the filling point communicated to a third-party provider for billing of water taken. Revenue received less service charges are then transferred to Council. Please refer to Table 15.

Table 15: Non-potable water usage 2023-24

Customer Type	2023-24 Annualised Usage in kL
Residential	46,822
Non-Residential	152,131
Non-Residential – Exempt	38,952

8 Water Industry Competition Act (WICA)

The Water Industry Competition Act 2006 seeks to:

- Encourage competition in relation to the supply of water and the provision of sewer services
- Develop infrastructure for the production and reticulation of recycled water.

The Act also provides for a prospective private entrant to negotiate terms and conditions of access to the infrastructure (and products) of an existing public water agency.

There are two Water Industry Competition Act (WICA) schemes active within the Central Coast LGA. One is at Narara Eco Village, the other located at Catherine Hill Bay (run by Solo Water).

Council does not propose bulk supply charges in place of our standard regulated charges.

Council does not favour separate "wholesale" or "retail-minus" price determination for WICA schemes.

Council favours continuing its transparent approach of treating these schemes as large meter customers.

9 Affordability

When Council sets its proposed prices, it endeavours to address the following affordability concerns:

1. Are prices set at a level such that most customers can afford them?
2. Will proposed pricing for Year 1 cause a rapid increase in so far that it may create social impacts? Households have budget commitments and long-term planning on the assumption that the continued low pricing will continue.
3. Do Council's services have a positive impact on the community and the environment?
4. Has the proposed revenue and pricing been spread across the determination period to avoid price shock?

A critical value our customers and community communicated to Council was the cost-of-living crisis and the importance of affordability. Currently, 30% of household income on the Central Coast are classified 'low income' (gross weekly individual income less than $999 (source Profile ID).

The remainder of the population is made up of low/medium to high level income ranging from $1200 to $3135 per week (household income 2021 census from .Id Informed decisions) Refer Figure 2 and Figure 3.

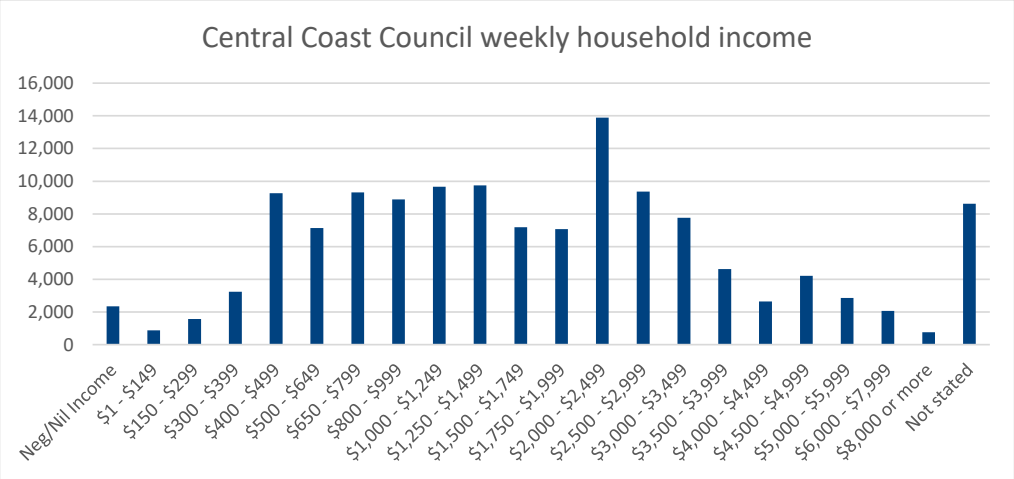


Figure 2: Central Coast Council weekly household income Source: Profile.ID central coast NSW/household income 2021 source census data

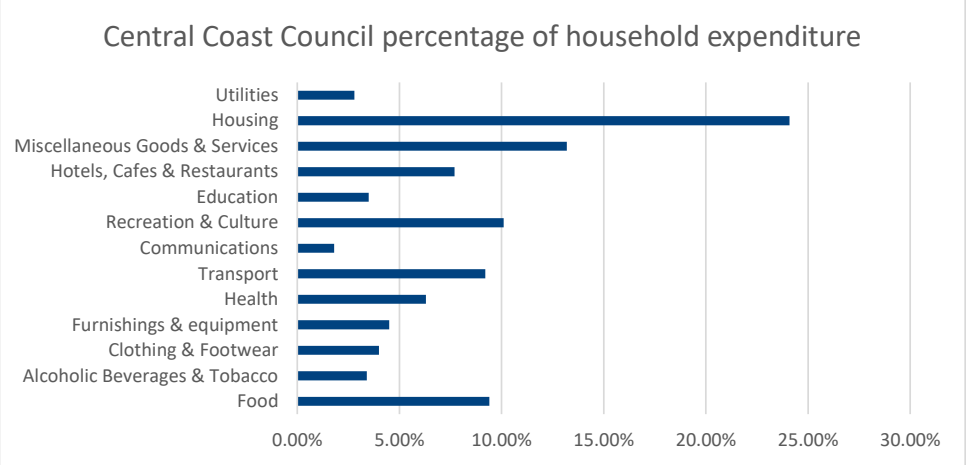


Figure 3: Source economy.id.com.au/central coast/household expenditure

In general water affordability is calculated by the total household bill/the total household income. The affordability metric is normally benchmarked at 3% of household income.

A primary driver for Council when making investment decisions is to be mindful of doing things well and at the lowest cost possible. Ensuring that all investment decisions are done with efficiency and prudency to keep prices low.

Affordability can affect anyone at any time and how paying for water services as well as other essential items such as food, housing and medical bills can be difficult.

The costs for operating water and sewer services are increasing due to economic pressures in relation to contractors, consultants, materials, and energy. In response to these economic pressures, Council will be using a total of $75.9M in reserves ($2025-26) to assist in funding operational expenditure to reduce both price and affordability impacts to the community.

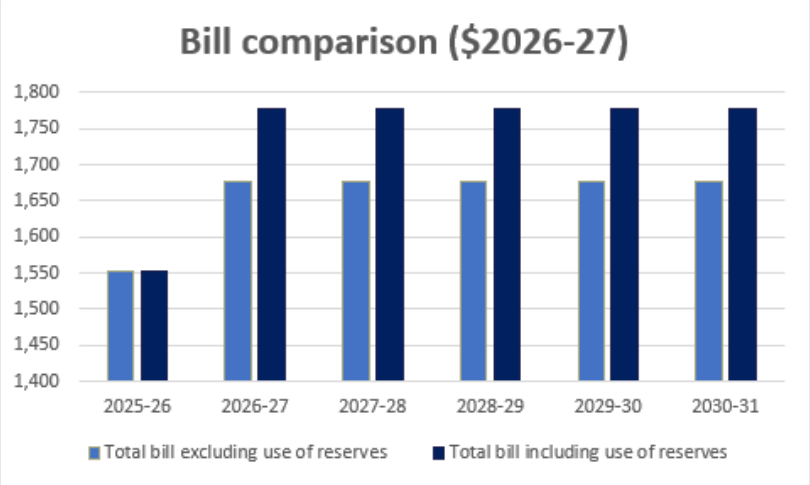


Figure 4: Price impact on using Council's reserves to fund expenditure

This has reduced the impact of increased revenue and reduced the impact on price increases for our community by 6.5% or $102 ($2026-27) $1,778 to $1,676 ($2026-27). Refer Figure 4.

In addition, as grants become available Council will investigate and apply.

In addition, results from the community engagement indicated that to address affordability, service charges should be low with an increase to the usage charge allowing more control over the bill.

Council understands that an increase in price will impact 30% of the local government area water (approximately 36,000 household incomes) where the annual income could place some members of our community in vulnerable situations.

Council provides financial assistance programs and payment plans to assistance our vulnerable members of our community.

10 Drought pricing

Pass-through costs are additional expenditure requirements where a regulated business can recover certain unforeseen or significant cost increases from customers, beyond what was already factored into the approved prices. For Council these costs are associated with the increased expenditure required during times of drought. They can be associated with running Council's bores or increased water transfers from Hunter Water.

Council is not expected to experience drought during the 2026-31 Determination period and therefore there are no pass-through costs included in the Determination period.

Abbreviations

CCCWSP	Central Coast Council Water Security Plan
CPI	Consumer Price Index
kL	Kilolitres 1000 litres
LGA	Local Government Agency
LRMC	Long Run Marginal Cost
ML	Megalitre (a metric unit of capacity equal to a million litres
OPEX	Operating expenditure
SRMC	Short Run Marginal Cost
WICA	Water Industry Competition Act

References

- Bureau of Meteorology National Performance Report 2023-24: Urban Water Utilities
- Profile.ID central coast NSW/household income 2021 source census data
- Source economy.id.com.au/central coast/household expenditure

Central Coast Council | Water and Sewer

Technical Paper 8

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September 2025



Technical Paper 9

Pricing of other services

September 2025

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1 Liquid Trade Waste charges

1.1 Background

Liquid Trade Waste (LTW) is any discharge other than sewage of a domestic nature (i.e. wastewater from a hand wash basin, shower, bath, toilet or domestic laundry) to a sewerage system.

Sewerage systems are designed to safely collect, transfer, treat and dispose of wastewater that is mostly of domestic origin. Sewerage systems may also accept LTW discharges provided they are planned, approved, and controlled within acceptable LTW limits.

Sound regulation and pricing of sewerage and LTW are key components of the New South Wales (NSW) Department of Planning and Environment (DPIE) Regulatory and Assurance Framework for Local Water Utilities (July 2022). The NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) develops and updates LTW Management Guidelines 2021 and related documents, to assist councils in regional NSW with best practice regulation of sewerage and trade waste. DCCEEW has developed guidelines and documents in relation to:[1]

1 Approval to discharge
2 Liquid Trade Waste Management Guidelines

Central Coast Council (Council) has a range of administrative and mass charges applying to the management of the discharge of LTW to its sewerage system. These services relate to commercial and industrial customers where there is available capacity at the receiving Sewage Treatment Plant (STP).

This technical paper provides a summary of the methodology and assumptions used for each of the charges specified under the following categories:

a) Administrative charges (for Categories 1, 2, 3 and S)
   i) Application fee for each category
   ii) Trade waste approval fee for each category
   iii) Common re-inspection fee for all categories
b) Trade Waste usage charge for Category 2 dischargers (Category 2 only)
   iii) Compliant
   iv) Non-compliant
c) Mass based charges (Category 3 only)
d) Septic waste charges (Category S only)
e) Additional monitoring and inspection fee (Category 3 only)
f) Pre-lodgement meeting and advice fee (Category 3 only).

[1] Description by NSW Government Department of Climate Change Energy, the Environment – Liquid Trade Waste

1.2 Trade waste approvals and risk classification

Council classifies its trade waste customers relative to the risk the discharge poses to the environment and to the treatment.

Classification takes into account:

- Discharge volumes
- Containment limits
- Nature of business activity
- Capacity to receive said discharge into the treatment plants
- The extent of the on-site treatment prior to discharge.

The LTW Management Guidelines, DCCEEW (2021) establishes a process for approval and regulation of LTW discharges to the sewerage system by Council. For concurrence purposes, four classifications have been established. Classifications A, B, C and S relate to the level of risk, i.e. low-risk, medium-risk and high-risk LTW, respectively. Classification S applies to human waste tankered from on-site sewage management facilities, dump points and ship-to-shore pump-outs.

For LTW charging purposes, DCCEEW (2021) prescribes four charging categories in its LTW Management Guidelines, with examples of business activities shown in Table 1. These charging categories are different to the four classifications established for concurrence purposes (i.e. Classifications A, B, C and S). The relationship between concurrence classifications and charging categories is shown LTW Management Guidelines.

Table 1: Trade waste charging types and risk classifications

Charging types	Description	Example Business Activities	Risk
Category 1	Activities requiring nil or minimal pre-treatment equipment where effluent is well defined.	Coffee shop or canteen with no hot food.	Low
Category 2	Activities requiring prescribed pre-treatment equipment where effluent is well characterised.	Butchers, restaurants, pubs, shopping centres, mechanical workshops	Medium
Category 3	Activities of an industrial nature where large volumes of LTW (over 20 kilolitres per day) are discharged to the sewerage system.	Food manufacturing, metal processing, oil refinery, cosmetic productions, breweries, pharmaceutical and chemical manufacturing.	High
Category S (Tanker)	LTW discharged directly to treatment plant via a tanker.	Septic systems, commercial sewerage, portable toilet waste	High

There are approximately 1,236 LTW approvals within Council's Local Government Area (LGA), some with multiple dischargers attached. These are:

- Category 1 approvals - 180
- Category 2 approvals - 1000
- Category 3 approvals - 36
- Category S (Tanker) approvals - 20

Council has based the pricing calculations to account for current customer numbers, contaminant loads, sewage treatment costs, administrative expenses, and trade waste management practices.



1.3 Proposed Liquid Trade Waste charges

The proposed pricing structure for the future determination (2026-2031) for trade waste customers is shown in Table 2.

Table 2: Summary of trade waste charges

Charge	Category 1	Category 2	Category 3	Category S
Application fee	✓	✓	✓	✓
Pre-lodgement meeting and advice	X	X	✓	X
Trade waste approval fee	✓	✓	✓	✓
Usage charge (compliant and non-compliant)	X	✓	X	X
Re-inspection fee	✓	✓	✓	✓
Additional monitoring and inspection fee	X	X	✓	X
Mass based charges	X	X	✓	X
Septage and Septic effluent charge	X	X	X	✓
Domestic sewage	X	X	X	✓

1.3.1 Description of charges

Council's application of charges from LTW dischargers is based on the administration and technical services required to process an application. Inspection fees are charged when an application or process requires onsite inspection and includes staff travel time, sampling and associated follow up. The annual LTW fee is now known as the LTW approval fee to reflect billing frequency and its purpose of recovering costs for monitoring activities associated with approval conditions. This fee covers the cost of administration and scheduled inspections, to ensure ongoing compliance. There are also charges for excess mass discharge that reflect the cost Council faces in accepting and handling the nominated substances. Table 3 provides a description of trade waste charges.

The methodology used to calculate the application, inspection, re-inspection, and approval fees for this pricing submission have been calculated to align to IPART's pricing principles of full cost recovery for services provided. The proposed prices include cost of direct labour, transport, equipment, and overheads. The proposed trade waste usage charges, excess mass charges and non-compliant excess mass charges for 2026-27 are the based on the *DCCEEW*

Model Liquid Trade Waste Fees and Charges with the appropriate CPI multiplier to be applied each year thereafter.

Table 3: Description of Central Coast Council Liquid Trade Waste fees and charges

Charge	Description and Activities Undertaken	Basis of Charge
Application Fee Category 1 (Applicable for Classification A & B)	Fee is inclusive of: • Application administration • Technical services • Discharger's classification • Complexity of processing	There has been a slight reduction in the application fee due to the hourly rate calculation. The current level of service provided by Central Coast Council to support the charge is as follows: • A single inspection of premises • Associated administration functions. Average travel time to/from premises: 60 minutes Average inspection time on premises: 15 minutes Average administration to process application: 20 minutes Category 1 applications are assessed by the LTW Officers.
Application Fee Category 2 (Applicable for Classifications A & B)	Fee is inclusive of: • Application administration • Technical services • Discharger's classification • Complexity of processing	There is an increase in the application fee from the 2022 IPART submission due to an additional 30 minutes of technical assessment time to attend pre-lodgement development application (DA) meetings and completed referrals. The current level of service provided by Council to support the charge is as follows: • A single inspection of premises • Associated administration functions. Average travel time to/from premises: 60 minutes Average inspection time on premises: 30 minutes Average administration to process application: 60 minutes. Category 2 applications are assessed by the LTW Officers.

Charge	Description and Activities Undertaken	Basis of Charge
Application Fee **Category 3** (Applicable for Classification C)	Fee is inclusive of: • Application administration • Technical services • Discharger's classification • Complexity of processing	The increased fee from the 2022 IPART determination is due to the additional hours involved with liaising with external regulators, DA referral processing and sampling costs. The assumptions used by Council to support the above charge are as follows: • A final inspection of premises • Associated administration functions by Council including liaison with Concurrence provider (DCCEEW) is estimated at 30 hours. • Sampling Average travel time to/from premises: 60 minutes per inspection. Average inspection time on premises: 60 minutes per inspection. Average administration time to process application: 30 hours. Category 3 applications are assessed by the Senior LTW Officer.
Pre-lodgement meetings and advice (Applicable for Classification C)	Fee is inclusive of: • Labour costs of technical services. • Administration functions	This is a new fee proposed for the 2026-31 IPART determination period. The level of service provided by Council to support this new charge will be as follows, • Site visits or meetings to discuss technical requirements of concurrence process. • Associated administrative functions This fee is only applicable to Category 3 customers due to the complexity of facility upgrades and conditions of discharge. Pre-lodgement meetings and advice provision is attended to by both the LTW Team Leader and Senior LTW Officer.

Charge	Description and Activities Undertaken	Basis of Charge
Application Fee Category S (Applicable for Classification S)	Fee is inclusive of: • Application administration • Technical services • Discharger's classification • Complexity of processing	There has been a slight reduction in the application fee due to a lower hourly rate. The current level of service provided by Council to support the charge is as follows: • A single inspection and induction to site • Associated administration functions, • Sampling Average travel time to/from premises: 60 minutes Average inspection time on premises: 30 minutes Average administration to process application: 30 minutes. Category S applications are assessed by the LTW Officers.
Trade Waste Approval Fee **Category 1** (Applicable for Classification A & B)	Fee relates to: • Dischargers conducting an activity requiring nil or only minimal pre-treatment equipment, where effluent is well defined and generally (but not completely) of low risk to the sewerage system. • A limited number of Category 1 LTW dischargers that DCCEEW has deemed to be of slightly higher risk. • Cost of administration and one scheduled inspection of the premises each year to ensure ongoing compliance with approval conditions. If more than one scheduled inspection is required due to LTW quality issues, the cost of any additional inspections is	There has been a slight reduction in the approval fee due to a lower hourly rate. This fee is levied quarterly and will be known as the approval fee for the 2027-31 IPART determination period. The current functions provided by Council to support the charge are: • An annual inspection of premises • Associated administration functions. Average travel time to/from premises: 60 minutes per inspection (once yearly) Average inspection time on premises: 20 minutes per inspection (once yearly) Average administration time per annum: 20 minutes. The management of Category 1 dischargers is undertaken by the LTW Officers.

Charge	Description and Activities Undertaken	Basis of Charge
	recovered through a separate re-inspection charge. The balance of Category 1 dischargers deemed by DCCEEW to be of zero or near zero risk attract no Trade Waste Usage Charge.	
Trade Waste Approval Fee Category 2 (Applicable for Classification A & B)	Fee relates to: • Dischargers conducting an activity requiring prescribed pre-treatment equipment where effluent is well characterised. • Cost of administration, sampling, waste tracking monitoring and a scheduled inspection to ensure ongoing compliance with the approval conditions. If more than one scheduled inspection is required due to LTW quality issues, the cost of any additional inspections is recovered through a separate re-inspection charge.	This fee is levied quarterly and will be known as the approval fee for the 2027-31 IPART determination period. The current functions provided by Council to support the charge are: • Scheduled inspection of premises • Associated administration functions. • Sampling • Waste tracking[2] Average travel time to/from premises: 60 minutes per inspection Average inspection time on premises: 30 minutes per inspection. Average administration time: 45 minutes. The management of Category 2 dischargers is undertaken by the LTW Officers. Waste tracking monitoring has been included to recover data fees, hardware, and subscription costs.

[2] Waste tracking has been included to recover data fees, hardware, and subscription costs

Charge	Description and Activities Undertaken	Basis of Charge
Trade Waste Approval Fee Category 3 (Applicable for Classification C)	Fee relates to: • Dischargers conducting an activity of an industrial nature and/or those who discharge large volumes (over 20 kilolitres per day) of LTW to the sewerage system. • Cost of administration and one scheduled inspection/audit of the premises each year to ensure ongoing compliance with the approval conditions. • Technical expertise of Senior LTW Officer. If more than one scheduled inspection is required due to LTW quality issues or non-compliance the cost of any additional inspections is recovered through the additional monitoring and inspection fee.	This fee is levied quarterly and will be known as the approval fee for the 2027-31 IPART determination period. The current functions provided by Council to support the charges are: • Annual audit/inspections of premises • Associated administration functions. • Sampling/testing of discharges when necessary. Council has increased its regulatory presence by targeting high risk industries. This has resulted in more comprehensive auditing/engagement, sampling programs and corrective actions. • Average travel time to/from premises: 60 minutes per inspection • Average inspection time on premises: 90 minutes per inspection (increases time on site due to more in-depth auditing of industry) • Average administration time per annum: 60 minutes per month (to review/collate monitoring program data and produce inspection/audit report). The management of Category 3 dischargers is undertaken by the Senior LTW Officer.

Charge	Description and Activities Undertaken	Basis of Charge
Trade Waste Approval Fee Category S (Applicable for Classification S)	Fee relates to: • Tankers discharging septic waste • Tankers discharging domestic sewerage (no connection to the Council sewerage system)	The is an increase to the fee from the previous 2022 IPART determination due to the inclusion of waste tracking and sampling costs. The current functions provided by Council to support the charge are: • Average administration time per annum: two hours • Sampling program • Waste tracking[3] The LTW Officers have increased sampling the quality of effluent at the septic receival stations to characterise waste for future upgrades and compliance monitoring. The implementation of waste tracking monitoring will ensure tanker loads are tracked from source to destination and reduce the risk of illegal disposals at Council's treatment facilities. The management of Category S dischargers is undertaken by the LTW Team Leader. *Waste tracking has been included to recover data fees, hardware, and subscription costs.
Re-inspection Fee Categories 1,2 and S (Applicable for Classification A, B & S)	Fee relates to: • Additional Council inspections due to discharger non-compliance • Re-inspection fees to ensure non-compliant LTW protocols have been addressed	The is an increase to the fee from the previous 2022 IPART determination due to the inclusion of sampling costs. The current functions provided by Council to support the charge are: • Average travel time to/from premises: 60 minutes per inspection • Average inspection time on premises: 30 minutes per inspection • Average administration time per annum: 20 minutes. The management of a re-inspection is undertaken by the LTW Officers.

[3] Waste tracking has been included to recover data fees, hardware, and subscription costs

Charge	Description and Activities Undertaken	Basis of Charge
Additional Monitoring and Inspection Fee Category 3 (Applicable for Classification C)	Fee relates to: • Dischargers that require more intense monitoring due to non-compliance. • Recovery of costs associated with Council implementing monitoring programs for dischargers on Effluent Improvement Plans (EIP) (Refer to and • • • below for examples of non-compliant discharge).	This is a new fee proposed for the 2027-31 IPART determination period. The level of service provided by Council will include. • Additional monitoring and inspections association with non-compliance. Average travel time to/from premises: 60 minutes per inspection Average inspection time on premises: 60 minutes per inspection. Average administration time: 60 minutes. This fee is applicable only to high-risk dischargers (Category 3).
Trade Waste Usage Charge Category 2 (Applicable for Classification A & B)	Fee relates to: • Dischargers conducting an activity requiring prescriptive LTW pre-treatment equipment where effluent is well characterised. This volume-based charge is applied to cover the additional cost (over and above sewer charges) of transporting and treating LTW from the discharger. Where appropriate pre-treatment has not been provided there is a significant increase in the volume charge to reflect the cost to accept and treat the non-compliant effluent.	DCCEEW provide a default set of charges to achieve full cost recovery, a useful resource for water utilities unable to calculate their own charge. Council has adopted the DCCEEW model charges (2024-25) for the usage charges relating to: • Dischargers with appropriate pre-treatment • Dischargers without appropriate pre-treatment. Council applied the default charge as access to performance related data to determine the specific charge was unavailable.

Charge	Description and Activities Undertaken	Basis of Charge
Trade Waste Mass Based Charges Category 3 (Applicable for Classification C)	Fee relates to: • Additional costs to Council to accept and handle the nominated substances. These charges apply in two cases: • Excess mass charges for specified substances discharged in excess of the deemed concentrations in domestic sewage. • Non-compliant excess mass charges for specified substances discharged in excess of the Liquid Trade Waste Approval Limit.	DCCEEW provide a default set of charges to achieve full cost recovery, a useful resource for water utilities unable to calculate their own charge. Council has adopted the DCCEEW model charges (2024-25) for the substances listed in Table 4. Council applied the default charge as access to performance related data to determine the specific charge was unavailable.
Trade Waste Usage Charge Category S (Applicable for Classification S)	Fee relates to: • Tankers discharging septic waste • Tankers discharging domestic sewerage (no connection to the Council sewerage system). This volume-based charge is applied to cover the additional cost (over and above sewer charges) of treating septic waste from the discharger.	DCCEEW provide a default set of charges to achieve full cost recovery, a useful resource for water utilities unable to calculate their own charge. Council has adopted the DCCEEW model charges (2024-25) for usage charges relating to. • Septic effluent only unable to be discharged onsite • Septage and chemical toilet waste. Council applied the default charge as access to performance related data to determine the specific charge was unavailable.



An example of fats and grease in the sewerage network



Poor quality trade waste at sewage treatment plant inlet works



1.3.2 Proposed charges

Proposed charges and potential revenue from LTW customers are shown in Table 4. The price quoted for proposed 2026-27 will apply to the length of the future determination (2026-2031). The rate shown will be only adjusted by CPI.

Table 4: Estimated revenue from Liquid Trade Waste customers

Charge Description	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% change	Forecasted Volumes	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	$2025-26			$2025-26	$2026-27 with 2.9% indexation
Application Fee Category 1	each	159.54	149.16	-6.5%	90	13,424.28	153.48
Application Fee Category 2	each	201.94	235.51	16.6%	250	58,878.41	242.34
Application Fee Category 3	each	3,183.25	4,221.43	32.6%	10	42,214.26	4,343.85
Application Fee Category S	each	201.94	188.41	-6.7%	5	942.05	193.87
Pre-lodgement Meeting and Advice	each		662.92	N/A - New charge	10	6,629.19	682.14
Trade Waste Approval Fee Category 1	each	167.62	157.01	-6.3%	180	28,261.64	161.56
Trade Waste Approval Fee Category 2	each	521.87	511.38	-2.0%	1,000	511,377.47	526.21
Trade Waste Approval Fee Category 3	each	1,958.92	2,002.99	2.2%	35	70,104.78	2,061.08
Trade Waste Approval Fee Category S	each	244.86	487.83	99.2%	20	9,756.52	501.97
Re-inspection Fee 1,2,3 & S	each	184.79	324.26	75.5%	20	6,485.24	333.67
Additional Monitoring and Inspection Fee (Catogory 3)	each		447.48	N/A - New charge	25	11,187.01	460.46

Charge Description	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% change	Forecasted Volumes	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	$2025-26			$2025-26	$2026-27 with 2.9% indexation
Usage Charge Category 2 (compliant pre-treatment)	kL	2.26	2.25	-0.4%	1,052,140	2,367,315.00	2.32
Usage Charge Category 2 (non-compliant)	kL	19.34	20.36	5.3%	39,968	813,738.30	20.95
Usage Charge Category S (Septic effluent unable to discharge onsite)	kL	2.26	2.96	31.0%	10,780	31,908.80	3.05
Usage Charge Category S (Septage and chemical toilet waste)	kL	21.68	22.25	2.6%	10,749	239,165.25	22.90
Mass Based Charges					Dependant on quality and quantity	400,000.00	
Total 2026-27 forecasted revenue						**4,611,388.21**	

Charge component	Substance of concern	Charge ($/kg)	Proposed 2026-27 Charge ($/kg)	% change	Proposed 2026-27 Charge ($/kg)
		$2025-26	$2025-26		$2026-27 with 2.9% indexation
Excess Mass Charges (discharge exceeding the 'deemed concentrations' in domestic sewage) Non-compliant Excess Mass Charges (for any substance exceeding acceptance limits)	Biochemical Oxygen Demand	1.01	1.00	-1.0%	1.03
	Suspended Solids	1.32	1.30	-1.5%	1.34
	Total Oil and Grease	1.85	1.83	-1.1%	1.88
	Ammonia (as Nitrogen)	2.99	2.96	-1.0%	3.05
	Total Kjeldahl Nitrogen (as Nitrogen)	1.01	1.00	-1.0%	1.03
	Total Phosphorus	2.09	2.07	-1.0%	2.13
	Total Dissolved Solids	0.30	0.30	0.0%	0.31
	Sulphate (as SO4)	0.48	0.47	-2.1%	0.48
Non-compliant Excess Mass Charges (for any substance exceeding acceptance limits)	Cadmium	423.81	33.15	-92.2%	34.11
	Chromium	30.50	33.15	8.7%	34.11
	Copper	18.66	20.36	9.1%	20.95
	Cyanide	91.54	100.62	9.9%	103.54
	Fluoride	4.55	4.97	9.2%	5.11
	Lead	45.80	49.72	8.6%	51.16
	Methylene Blue Active Substances (MBAS)	1.01	1.00	-1.0%	1.03
	Nickel	30.50	33.15	8.7%	34.11
	Petroleum Hydrocarbons (non-flammable)	2.88	3.37	17.0%	3.47
	pH (see note # below)	0.53	0.59	11.3%	0.61
	Sulphide	0.48	0.48	0.0%	0.49
	Zinc	18.65	20.36	9.2%	20.95

Note # - This parameter is called *pH cost coefficient*. The charge for pH of discharged trade waste lies outside deemed limits (non-compliant pH charge).
Non-compliant excess pH outside the deemed range is not quantified per kilogram but per kilolitre.
Charge for non-compliant pH ($/kL) = pH cost coefficient x (net pH difference) x 2 ^ (net pH difference)

2 Recycled water services

2.1 Central Coast Council's water recycling services

Recycled water is defined by IPART as "Water that has been reclaimed from wastewater (including grey water) or stormwater systems and treated to a standard that is appropriate for its intended use"

IPART classifies Council as having "voluntary recycled water schemes" and "other" schemes that service the Sewage Treatment Plant (STP) where they are located. Council does not have mandatory or s16A *Independent Pricing and Regulatory Tribunal Act 1992* ("IPART Act") schemes. Under Section 16A of the IPART Act, IPART may be directed to pass through into prices the efficient costs of an agency complying with a specified requirement imposed on the agency.

DCCEEW's Recycled Water Roadmap (June 2025) contains a vision for the future of water recycling in NSW (Refer to Figure 1):

Our vision for the future of water recycling in NSW is:

- Utilities consider recycled water equally with other supply and demand options
- Increased delivery of recycled water solutions that improve diversity of water sources, resilience, urban cooling and environmental water quality
- Communities understand water recycling options and engage with utilities in the conversation on purified recycled water for drinking.

Figure 1: Vision for the future of water recycling in NSW (DCCEEW 2025)

DCCEEW's Recycled Water Roadmap includes priority areas for focus in the next five years that Council will be required to contribute to (Refer to Figure 2).

Priority area	Description
Early strategic planning	We need state-wide planning and policy frameworks that support integrated and coordinated planning for recycled water
Economic tools and guidance	We need tools and resources to support utilities in planning and delivering recycled water solutions
Co-ordination and regulatory charge	We need clear regulatory and approvals processes in place for recycled water
Resources and collaboration	We need to build capacity and capability to plan and deliver innovative recycled water solutions across the sector
Public engagement and Australian guidelines	We need to take steps now so that the purified recycled water for drinking is an option for the future

Figure 2: Priority areas for developing water recycling in NSW (DCCEEW 2025)

Council operates recycled water treatment schemes at eight sewage treatment plants (STPs) and three stormwater harvesting systems.

Council operates three voluntary recycled water schemes, five other schemes and three stormwater harvesting schemes to produce recycled water for non-potable end uses to reduce demand on its drinking water supplies, where IPART defines "other" schemes as those that service only the sewage treatment plant where they are located (Refer to Table 5). Recycled water is suppled for a variety of end uses including irrigation of golf courses, sporting fields, bowling greens, school grounds, nursing homes, cemeteries, and process water within STPs and sewage pump stations (SPSs).

Agreements with recycled water end users are structured and administered broadly in three ways:

- Long-term agreement (10+ years) with fixed indexed supply charges
- Long-term agreement (10+ years) with actual cost of production, with a 10% ceiling
- Perpetuity agreements with variable usage charges as a percentage of potable water usage charge.

In 2019, Council commissioned a study to review the current recycled water and stormwater harvesting schemes with an aim to achieve compliance with the requirements of s292 Local Government Act 1993 (LGA) requirements, maximise current demand for recycled water and to prepare for future long-term demand. Additionally, Council sought to understand capacity of the recycled water schemes to meet current and future recycled water demand, current and future technical improvement requirements, regulatory status of the schemes, and to identify potential users for the sites.

During the current determination (2022-2026) period, condition and performance assessments were undertaken on existing recycled water treatment facilities to determine and prioritise capital improvement works necessary to continue to provide safe recycled water to meet current and future demands.

A project will be delivered over the future pricing determination (2026-2031) period to review the current agreement and commercial structures with the objectives of contemporising and aligning them with current best practices, meet regulatory requirements, engage current stakeholders and potential future customers to ensure capacity to meet growing demand for recycled water for non-potable purposes.

Council ***does not*** presently include recycled water infrastructure in the developer servicing charges.

2.2 Voluntary and other schemes

Charmhaven STP –Production of up to 12 kL/h of recycled water by tertiary filtration for internal reuse at the inlet works including screen washing, dewatering, and supply to hose points and sprinklers 12.9 ML of recycled water was produced in 2024.

Mannering Park STP – Whilst up to 12 kL/h of recycled water is produced by tertiary filtration for internal reuse, the main reuse of treated effluent is via sewer mining to supply secondary treated effluent to Delta Energy for microfiltration and reuse at Vales Point Power Station. 252 ML of secondary treated effluent was transferred to Delta Energy for further treatment and reuse in FY 23/24.

Gwandalan STP – There is currently no recycled water produced at Gwandalan STP, primarily due to the quality of treated water previously produced being unsuitable for irrigation of school grounds and sporting surfaces. The tertiary Ultrafiltration/Reverse Osmosis treatment system ceased operation in 2011 due to poor performance and risk concerns for the end users.

Toukley STP–Toukley STP is a trickling filter plant that treats a proportion of the secondary treated effluent to recycled water standard via a tertiary Dissolved Air Filtration (DAF) process. Commissioned in 2005, the tertiary recycled water plant added an ultraviolet (UV) disinfection system in 2007, with augmentation works commissioned in 2009. Additional tertiary treatment by ultrafiltration at Magenta Shores for toilet flushing was discontinued and residential supply ceased in 2010 following customer concerns. The plant can produce up to 7,200 kL/d of recycled water (2017) supplying sporting facilities, golf courses, a caravan park, a cemetery and onsite reuse applications at the STP. The Toukley STP recycled water scheme relies on chemical dosing, dissolved air flotation, and UV disinfection to produce tertiary treated recycled water.

310.8 ML of recycled water was produced at Toukley STP in FY 2024-25. 253.2 ML was used for golf course irrigation, 75.9 ML was used elsewhere in the Toukley district whilst 35.4 ML was used for internal plant processes at the STP, including solids dewatering, inlet works flushing, and supply to hose points and sprinklers.

Bateau Bay STP –Bateau Bay STP is a trickling filter/ IDEA process, that further treats a proportion of the secondary treated effluent to recycled water standard via a tertiary process, including chemical dosing, sand filtration and UV disinfection. The plant was commissioned to provide 30 L/s when commissioned in 2005 but was limited to 21 L/s with the addition of the UV disinfection system in 2007. Bateau Bay STP recycled water supplies tertiary treated effluent for reuse applications to sporting fields, bowling clubs, schools and golf courses, and internal plant processes at the STP, including solids dewatering, inlet works flushing, and supply to hose points and sprinklers.

316.6 ML of recycled water was produced in FY 2024-25, of which 85.9 ML was used for internal plant processes, and 214.1 ML supplied to external customers.

Wyong South STP –Wyong South STP is an IDEA plant. A tertiary filtration plant treats some of the secondary treated effluent via chemical dosing and filtration for reuse onsite. The onsite reuse system began operation in 2005 and provides up to 12 kL/h of recycled water. A proportion of the unfiltered secondary effluent is chlorinated and used at the inlet works.

35.7 ML of recycled water was used for internal process requirements in FY 2024-25.

Woy Woy STP – Woy Woy STP is an Oxidation Ditch plant, that treats a proportion of secondary effluent with a strainer and gas chlorination, for onsite reuse.

The original recycled water plant constructed in 2008, used sand filters and sodium hypochlorite disinfection to produce recycled water for internal reuse and tanker filling. Due to a lack of external demand, these components were decommissioned in 2018 and replaced with a self-cleaning filter and gas chlorination system for onsite reuse only. 457.4 ML of recycled water was used for internal process requirements in FY 2024-25.

Kincumber STP – The Kincumber STP recycled water scheme comprises preliminary treatment, primary sedimentation followed by secondary treatment, with a proportion of secondary effluent chlorinated and reused onsite. The plant previously treated secondary effluent through a tertiary treatment system to produce recycled water for external reuse. Commissioned in 2008, this tertiary treatment plant produced 350,000 kL/year of recycled water, well in excess of the initial supply target of 75,000 kL/year (Gosford City Council, 2010). Supply of recycled water to external users stopped in 2016 due to *Clostridium perfringens* compliance issues. An additional UV disinfection system was installed; however the plant requires recommissioning and validation prior recommencement of supply of recycled water to customers for a range of uses, including irrigation of sporting fields, school grounds and camp, a golf driving range, process water for concrete and construction material plants, a decommissioned landfill site, a tanker filling station, and sewer pump station washing.

397.1 ML of recycled water was used for internal process requirements in FY 2024-25.

Terrigal reuse scheme – The Terrigal reuse scheme provides treated stormwater collected from a concrete stormwater channel with flow from nearby drainage systems. A diversion pipe delivers this flow to the plant for treatment. Treated water is delivered to Crowne Plaza for laundry, cleaning cooling towers, irrigation and toilet flushing.

Plant performance is impacted by variable source water volume and quality combined with unreliable condition of the aging asset and is currently not operational. Nevertheless, Crowne Plaza has expressed interest in continuation of the supply of treated stormwater for non-potable uses. 163 kL stormwater was captured for reuse in 2023-24; this supply was supplemented with 514 kL of treated drinking water.



Hylton Moore Park reuse scheme – Hylton Moore Park reuse scheme is a stormwater harvesting system that provides treated water to Hylton Moore Park and Terry Oval. The output is also used for flushing a nearby dead-end sewer main. Raw stormwater is pumped to the rainwater harvesting tank where treatment comprises screen filtration, UV disinfection and hypochlorite dosing. 20 kL stormwater was captured for reuse in 2023-24; this supply was supplemented with 38 kL of treated drinking water.

Central Coast Stadium – The Central Coast Stadium reuse scheme is a bore water and stormwater harvesting system processed by Grahame Park Water Treatment Plant (GPWTP). This system includes a Continuously Washed Up Flow (CWUF) Filter, sodium hypochlorite dosing and caustic soda dosing. The plant treats bore water, storing it for toilet flushing at the stadium. Water tankers have access to this treated water for dust suppression, construction and sewer main flushing. 4.0 ML bore water was treated at the plant in 2024-25.

2.3 Ringfencing of costs

The infrastructure for recycled water production and delivery to customers is ringfenced. Cost centres established to produce and transport recycled water are:

- Water Treatment Plant – Non-Potable – Bateau Bay (60104)
- Water Treatment Plant – Non-Potable – Kincumber (60105)
- Water Treatment Plant – Non-Potable – Toukley (60106)
- Water Treatment Plant – Non-Potable – Graeme Park (60110)
- Water Treatment Plant – Non-Potable – Hylton Moore (60111)
- Water Treatment Plant – Non-Potable – Terrigal CBD (60112)
- Recycled water main – Bateau Bay (61400)
- Recycled water main – Kincumber (61401)
- Recycled water main – Toukley (61402)
- Recycled water main – Woy Woy (61403)

Table 5: Summary of Central Coast Council Recycled Water Schemes

Ranking	Scheme	Advantages	Current Stakeholders	Intended Usage* (kL/week)	Current Total Usage (kL/week)
1	**Bateau Bay STP**	Existing scheme producing recycled water for irrigation. Other potential users nearby expand the scope of supply.	• Bateau Bay Treatment Plant Usage • Bateau Bay Golf Driving Range • Golden Hind Bowling Club • BBRC Playing Fields and Amenities • EDSACC Croquet Club • EDSAAC Fields • Tuggerah Lakes Secondary College, The Entrance Campus • Our Lady of the Rosary Primary School • Bateau Bay Bowling Club • Tuggerah Lakes Golf Club • Jubilee Park • Eastern Road Oval	10,600	5,770
2	**Toukley STP**	Existing scheme producing recycled water for irrigation. Other potential users nearby expand the scope of supply.	• Toukley Treatment Plant Usage • Toukley Golf Club • Harry Moore Oval • Darren Kennedy Oval • Toukley Public School • Toukley RSL Bowling Club • St Mary's Primary School • Canton Beach Tourist Park • Canton Beach Sports Club • Noraville Cemetery • Magenta Shores flow to storage pond	20,700	7,010

Ranking	Scheme	Advantages	Current Stakeholders	Intended Usage* (kL/week)	Current Total Usage (kL/week)
3	**Kincumber STP**	Scheme previously supplied recycled water to various end users until disinfection issues were identified. Equity issue that users now provided potable water at RCW rate are exempt from water restrictions. Previous agreements and RWMP in place.	Kincumber Treatment Plant Usage. Kincumber STP no longer supplies recycled water externally after compliance issues forced its discontinuation.	1,900	7,640
4	**Wyong South STP**	Various recycled water users identified nearby the plant.	Wyong South Treatment Plant Usage. Recycled water is used within the plant at the inlet works, for dewatering, hose points and sprinklers. A tanker filling point was decommissioned in 2013 due to risk concerns that third-party tankers were not appropriately managing recycled water use. Additionally, s292 approval had not been provided by the Office of Water.	0 (external demand)	690
5	**Mannering Park STP**	Existing agreement in place with Vales Point Power Station.	• Mannering Park Treatment Plant Usage • Values Point Power Station Mannering Park STP only provides secondary treated effluent to Vales Point Power Station and provides recycled water for use on site.	8,000	4,850

Ranking	Scheme	Advantages	Current Stakeholders	Intended Usage* (kL/week)	Current Total Usage (kL/week)
6	**Charmhaven STP**	Significant development in the nearby area suggests potential users for a dual reticulation scheme.	Charmhaven STP does not currently supply recycled water to external customers as it would need to comply with external pathogen Log Reduction Value (LRVs) - indicated by the Australian Recycled Water Guidelines (National Water Quality Management Strategy, 2006).	3,200	250
7	**Gwandalan STP**	Previous users/ reticulation network exists. RWMP prepared previously.	Gwandalan STP does not supply recycled water to end users due to decommissioning of the plant.	120	0
8	**Central Coast Stadium Reuse Scheme**	Limited capital expenditure required to address asset condition issues and rainwater harvesting approval requirements. Existing users in place.	Private and Council non-potable water tanker operators Stadium internal plumbing (toilet flushing)	5,000	77
9	**Woy Woy STP**	New internal reuse plant built in 2018 – none of these components require replacement/ rehabilitation.	Woy Woy STP internal process use	16,000	8,800
10	**Magenta Shores UF plant**	Potentially provides additional recycled water suitable for dual reticulation in existing network. Equity issue that users provided potable water at RCW rate are exempt from water restrictions.	None	0	0

Ranking	Scheme	Advantages	Current Stakeholders	Intended Usage* (kL/week)	Current Total Usage (kL/week)
11	**Hylton Moore Park Reuse Scheme**	Limited capital expenditure required to address asset condition issues and stormwater harvesting s292 approval requirements. Existing users in place.	Council (irrigation of Hylton Moore Park)	700	1
12	**Terrigal Reuse Scheme**	Limited capital expenditure required to address asset condition issues and stormwater harvesting s292 approval requirements. Existing users in place	Crowne Plaza	1,000	13

*: *GHD Central Coast Council Recycled Water and Stormwater Harvesting Strategy (February 2020)*

2.3.1 Developer charges

Currently, Council does not apply a methodology for the calculation of developer charges for recycled water connections. Council does not have a Developer Servicing Plan (DSP) for recycled water and the current schemes are voluntary in nature.

2.3.2 IPART's pricing principles for recycled water

IPART's 2006 regulatory framework included an overarching set of pricing principles for recycled water, pricing guidelines for mandatory services and additional pricing principles for voluntary services. Council's non-potable reclaimed water services are voluntary.

IPART undertook a review of recycled water prices for public water utilities in 2018, engaging 155 stakeholders and amended the pricing principles to:

- Remove unnecessary duplication and reduce complexity.
- Allow for greater flexibility for public water utilities to set prices in line with customer preferences and economic efficient signalling.
- Protect customers by regarding customer impacts, willingness-to-pay and the price of substitute products.
- Facilitate easier implementation of the framework.

IPART's Review of Pricing Arrangements for Recycled Water and Related Services (July 2019) distinguished between mandatory and voluntary recycled water services based on the "customer's level of effective choice". The report[4] states that:

> *Voluntary recycled water services are subject to unregulated agreements in the first instance, so public water utilities and their customers are not bound to follow the pricing principles. In the event that the parties are unable to reach an agreement, we would step in when warranted to set prices under a scheme-specific review. In those instances, we would have regard to the pricing principles in setting recycled water prices.*

The outcome of IPARTs review of recycled water pricing arrangements are summarised in Figure 3.

[4] *Review of pricing arrangements for recycled water and related services Sydney Water Hunter Water Central Coast Council Essential Energy Final Report Water, section 6.2.*

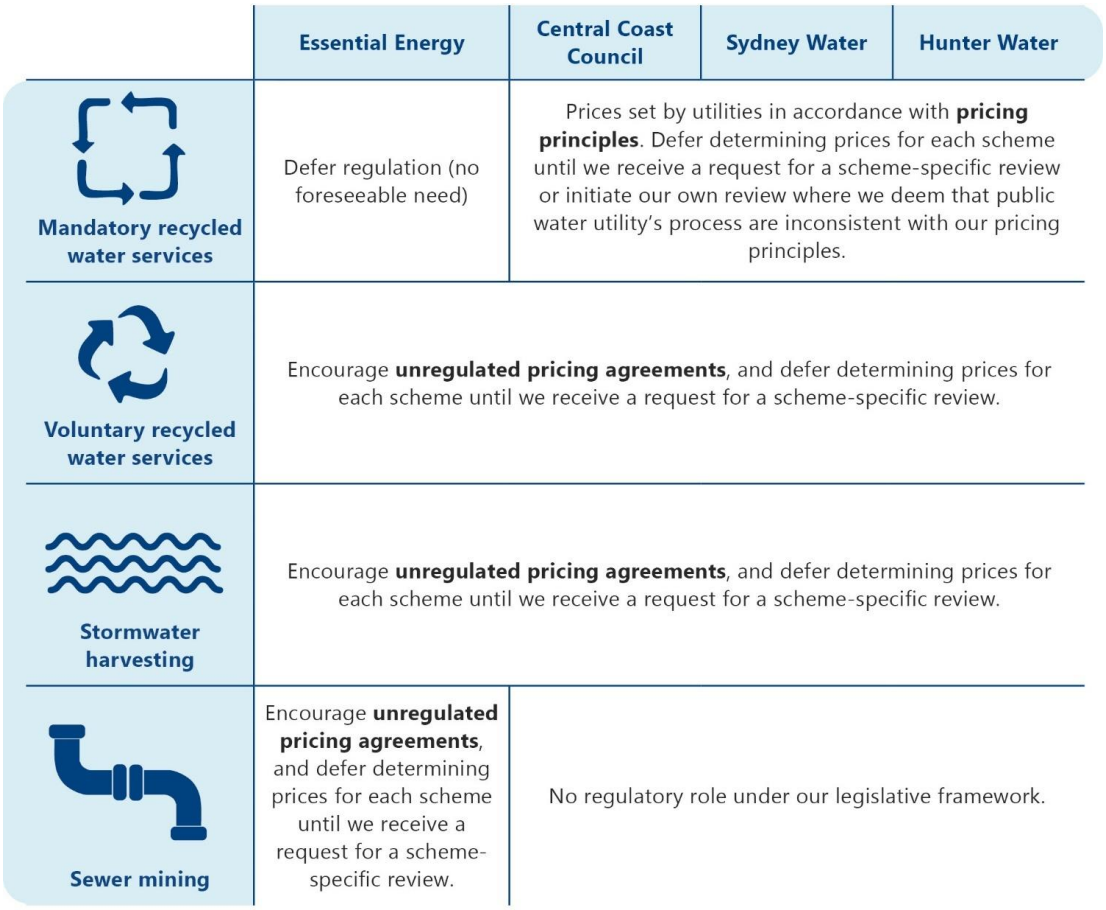


Figure 3: Summary of IPART's regulatory framework for recycled water customers (IPART 2019)

2.4 Revenue and expenditure

Council's recycled water schemes are expected to operate at a loss of approximately $350,000 per annum, due to the high operating cost of the aging treatment assets and limited customer base for recycled water product, as shown in Table 6.

Table 6: Summary of Annual Loss of Revenue in Operation Council's Recycled Water Schemes $2025-26 $'000

Financial Year	Revenue	Operational Expenditure	Loss (revenue – operational expenditure)
2022-23	376	493	117
2023-24	297	525	228
2024-25	236	937	700

Note the above expenditure includes depreciation.

3 Miscellaneous and ancillary services

3.1 Background

Council provides miscellaneous customer services where no alternative supply exists, and relative to the supply of other monopoly services.

3.2 Review of miscellaneous services

In proposing new charges under this price submission, Council's review of existing ancillary and miscellaneous charges for 2026 -2031 is listed in section 3.5 (Refer to Table 7).

3.3 Cost-basis for miscellaneous and ancillary charges

The cost basis for miscellaneous and ancillary charges per service calculation includes both on costs (inclusion of payroll tax, superannuation) and corporate overheads. It has been aligned to IPART's pricing principles of full cost recovery for services provided.

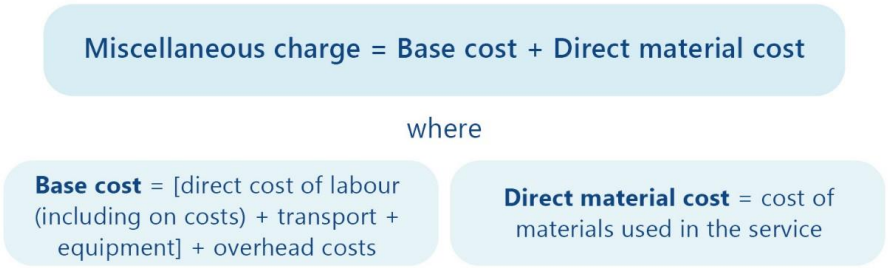


Figure 4: Cost basis for miscellaneous and ancillary charges

Charges should reflect efficient costs and not include any allowance for a profit margin, costs already recovered through maximum prices, or any other costs unrelated to service delivery.

Minor construction and plumbing services are often provided by Council's contract plumber. Charge to the customer is determined by the cost the provider charges Council for provision of the customer service and includes materials cost and labour.

Council has continued using the cost reflective pricing calculations for this 2025 submission.

For Items 2 and 3, Council has reviewed the process and available information, and reduced the number of items and cost for customer to acquire the relevant information from Council.

3.4 Summary of ancillary charges

The price quoted for proposed 2026-27 will apply to the length of the future determination (2026-2031). The rate shown will be only adjusted by CPI.

Table 7: Summary of ancillary charges

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
1 Conveyancing Certificate – Statement of Outstanding Charges (s360 Certificate)	Per certificate	32.60	Discontinue				
2 Property Sewerage Line and Drainage Diagram							
a) Property sewer line and drainage diagrams	Per title	30.65	17.49	-43%	7,600	132,924	18.00
b) Property sewer line and drainage diagrams (with long section)	Per diagram	43.20	Discontinue				
c) Property sewer line and drainage diagrams (property complex)	Per diagram	48.90	Discontinue				
3 Water and Sewer Service Location Diagrams							
a) Water and sewer main location plans	Per diagram	26.07	17.49	-33%	7,000	122,430	18.00
b) Water and sewer main location plans (including long sections). Diagram will include additional longitudinal (depth) data	Per diagram	34.07	29.99	-12%	750	22,493	30.86

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
4 Special Meter Reading Statement	Per document	38.43	31.24	-19%	1,000	31,240	32.15
5 Water Billing Record Search Statement							
a) From previous FY, up to and including 5 years	Per document	53.82	43.73	-19%	200	8,746	45.00
b) From previous FY, up to and including 10 years	Per document	86.23	84.18	-2%	20	1,684	86.62
c) From previous FY, to beyond 10 years	Per document	118.67	118.70	0%	5	594	122.14
6 Building Over or Adjacent to Existing Water or Sewer Compliance Advice	Per assessment	67.24	102.03	52%	20	2,041	104.99
7 Water Service Disconnection							
a) Application	Per application	76.87	54.44	-29%	50	2,722	56.02
b) Physical Disconnection 20mm meter	Per disconnection	291.86	537.77	84%	17	9,321	553.37
c) Physical Disconnection 25mm meter	Per disconnection	New charge	540.48		2	1,261	556.16
d) Physical Disconnection 32mm meter	Per disconnection	New charge	703.84		4	2,581	724.26
e) Physical Disconnection 40mm meter	Per disconnection	New charge	703.84		4	2,581	724.26
f) Physical Disconnection 50mm meter	Per disconnection	New charge	794.95		2	1,855	818.00

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
g) Physical Disconnection 65mm meter	Per disconnection	New charge	794.95		1	795	818.00
h) Physical Disconnection 80mm meter	Per disconnection	New charge	1,116.88		1	1,117	1,149.27
i) Physical Disconnection 100mm meter	Per disconnection	New charge	1,156.87		1	1,542	1,190.42
j) Physical Disconnection 150mm meter	Per disconnection	New charge	1,582.18		1	1,582	1,628.06
8 Replace a missing meter							
a) Replace 20mm meter	Per service	New charge	75.74		65	4,923	77.94
b) Replace 25mm meter	Per service	New charge	75.74		1	76	77.94
c) Replace 32mm meter	Per service	New charge	113.62		2	227	116.92
d) Replace 40mm meter	Per service	New charge	113.62		1	114	116.92
e) Replace 50mm meter	Per service	New charge	181.79		2	364	187.06
f) Replace 65mm meter	Per service	New charge	227.24		1	227	233.83
g) Replace 80mm meter	Per service	New charge	302.99		1	303	311.77
h) Replace 100mm meter	Per service	New charge	454.49		1	454	467.67
i) Replace 150mm meter	Per service	New charge	537.06		1	537	552.64
j) Unsuccessful site visit	Per service	New charge	60.60		12	727	62.35
9 Workshop test of water meter	Per test						
a) Workshop test of 20mm to 80mm meter	Per meter tested	New charge	387.16		15	5,807	398.39
b) Workshop test of meter > 80mm	Per meter tested	New charge	599.5		1	600	616.89
10 Water Service Connection							

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
a) Application for connection of water service (all sizes)	Per application	76.87	54.44	-29%	800	43,551	56.02
b) Water service connection meter only (20mm)	Per service	139.09	150.62	8%	296	44,533	154.99
c) Water service connection short service (20mm)	Per service	1,756.27	1,534.08	-13%	176	269,487	1,578.57
d) Water service connection long service (20mm)	Per service	New charge	2,979.36		139	415,125	3,065.77
e) Water service connection meter only (25mm)	Per service	222.54	147.09	-34%	2	294	151.35
f) Water service connection short service (25mm)	Per service	1,769.94	1,698.53	-4%	21	36,235	1,747.79
g) Water service connection long service (25mm)	Per service	2,453.03	3,114.80	27%	12	36,339	3,205.13
h) Water service connection meter only (32mm)	Per service	New charge	234.82		1	235	241.63
i) Water service connection short service (32mm)	Per service	New charge	2,902.19		1	2,902	2,986.36
j) Water service connection long service (32mm)	Per service	New charge	4,111.27		1	4,111	4,230.49
k) Water service connection meter only (40mm)	Per service	701.67	252.89	-64%	2	506	260.22
l) Water service connection short service (40mm)	Per service	3,151.89	3,549.42	13%	9	30,762	3,652.35
m) Water service connection long service (40mm)	Per service	3,944.65	4,619.16	17%	4	18,477	4,753.11

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
n) Water service connection meter only (50mm)	Per service	1,161.89	330.30	-72%	1	330	339.88
o) Water service connection short service (50mm)	Per service	3,892.97	3,883.76	0%	7	27,186	3,996.39
p) Water service connection long service (50mm)	Per service	4,721.41	4,897.21	4%	5	26,118	5,039.23
q) Water service connection meter only (65mm)	Per service	1,179.85	656.82	-44%	1	657	675.87
r) Water service connection short service (65mm)	Per service	3,959.65	4,559.62	15%	4	16,719	4,691.85
s) Water service connection long service (65mm)	Per service	4,627.22	5,739.61	24%	1	5,740	5,906.06
t) Water service connection meter only (80mm)	Per service	1,256.42	784.74	-38%	1	785	807.49
u) Water service connection metered short service (80mm)	Per service	7,588.82	4,939.66	-35%	1	6,586	5,082.91
v) Water service connection unmetered short fire service (80mm)	Per service	6,493.59	8,573.37	32%	1	8,573	8,821.99
w) Water service connection long metered service (80mm)	Per service	14,113.37	922.78	-93%	1	923	949.54
x) Water service connection unmetered long fire service (80mm)	Per service	13,018.14	5,429.31	-58%	1	5,429	5,586.76
y) Water service connection meter only (100mm)	Per service	1,523.58	9,661.30	534%	1	9,661	9,941.47

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
z) Water service connection metered short service (100mm)	Per service	8,003.42	1,581.32	-80%	2	3,163	1,627.18
aa) Water service connection unmetered short fire service (100mm)	Per service	6,979.10	9,409.70	35%	11	103,507	9,682.58
ab) Water service connection metered long service (100mm)	Per service	14,770.72	12,539.82	-15%	1	12,540	12,903.48
ac) Water service connection unmetered long fire service (100mm)	Per service	13,746.40	4,939.66	-64%	6	27,991	5,082.91
ad) Water service connection meter only (150mm)	Per service	New charge	8,573.37		1	8,573	8,821.99
ae) Water service connection metered short service (150mm)	Per service	11,571.55	5,429.31	-53%	1	5,429	5,586.76
af) Water service connection unmetered short fire service (150mm)	Per service	6,979.10	9,661.30	38%	6	54,747	9,941.47
ag) Water service connection metered long service (150mm)	Per service	17,853.34	9,409.70	-47%	1	9,410	9,682.58
ah) Water service connection unmetered long fire service (150mm)	Per service	16,659.41	12,539.82	-25%	1	12,540	12,903.48

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
11 Standpipe Hire – Security Bond							
a) 25mm	Per hire	746.81	832.10	11%	10	8,321	856.23
b) 65mm	Per hire	2,403.39	1,836.10	-24%	10	18,361	1,889.35
12 Standpipe Hire – Annual Fee							
a) 25mm	Per hire	330.76	373.70	13%	35	13,079	384.53
b) 65mm	Per hire	2,235.92	2,253.93	1%	76	171,298	2,319.29
c) Standpipe special reading fee	Per reading	144.08	Discontinue				
13 Standpipe Water Usage (per kL)	Per kL	2.62	3.09	18%	59,937	185,205	3.18
14 Bulkwater Application Fee	Per application	New charge	52.22		20	1,044	53.74
15 Backflow Prevention Device Application and Initial Registration	Per application	99.20	91.20	-8%	110	10,032	93.84
16 Inspection of New Water and Sewer Assets (including encasements)							
a) Inspection of new water and sewer assets including encasements and new junctions	Per application	148.38	156.98	6%	49	7,723	161.53
b) Linear asset	Per linear metre	7.78	16.46	112%	22,288	366,855	16.94

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
c) Laboratory analysis to confirm disinfection	Per 50m of water main	29.85	29.14	-2%	230	6,697	29.99
d) After hours inspection (four hours minimum)	Per four hours	441.76	627.91	42%	15	9,419	646.12
e) After hours inspection (per hour beyond four hours)	Per hour	125.37	156.98	25%	30	4,709	161.53
f) inspection of new water or sewage pump station	Per inspection	6,696.65	7,608.60	14%	0.2	1,522	7,829.25
17 Statement of Available Pressure and Flow	Per document	165.75	227.71	37%	140	31,879	234.31
18 Adjust Existing Water Service							
a) Application for adjustment of water service	Per service	76.87	54.44	-29%	100	5,444	56.02
b) Raise or lower adjust 20mm or 25mm water meter by ≤ 1m	Per service	630.75	453.22	-28%	26	11,784	466.36
c) Laterally adjust 20mm or 25mm water meter by ≤ 1m	Per service	New charge	640.85		23	14,740	659.43
d) Other water service adjustments	Per service	By quote	By quote		5	As per new service connection	See Misc Charge 10
19 Raise or Lower Sewer Manhole (Inspection Fee)							

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
a) Raise or Lower Sewer Manhole (Inspection Fee)	Per request	145.46	Discontinue				
b) Physical adjustment	Per adjustment	By quote	Discontinue				
20 Water or Sewer Engineering Plan and Technical Assessment							
a) Small projects - relocations, private SPS and/or development ≤10 lots or extension to properties outside area	Per investigation	362.72	546.25	51%	65	35,504	562.09
b) Medium projects > 10 and < 50 lots, and mains relocation incl R&D unit	Per investigation	865.61	1,306.02	51%	19	24,814	1,343.89
c) Large projects ≥ 50 and <150 lots or large or medium density developments	Per investigation	1,104.67	1,826.67	65%	2	3,653	1,879.64
d) Special projects (roads and rail or SPS adjustments, relocations, development water catchment areas, or subdivisions > 150 lots)	Per investigation	3,792.12	4,365.48	15%	9	39,289	4,492.08
21 Section 307 Certificate							
a) Boundary realignment, subdivisions or developments involving	Per certificate	372.73	385.02	3%	100	38,502	396.19

Ancillary Charge	Unit of Measure	2025-26 Charge	Proposed 2026-27 Charge	% Change	Forecast Quantities	2026-27 Forecasted Annual Revenue	Proposed 2026-27 Charge
		$2025-26	**$2025-26**			**$2025-26**	**$2026-27 with 2.9% indexation**
mains extensions (above dual occupancy)							
b) Single residential development and dual occupancy	Per certificate	182.23	188.23	3%	1,030	193,877	193.69
c) Commercial buildings (non-residential)	Per certificate	265.05	273.79	3%	110	30,117	281.73
22 Section 305 Application	Per application	72.02	54.44	-24%	2,040	111,058	56.02
23 Building in Proximity to Pipelines Assessment	Per assessment	165.66	171.12	3%	630	107,806	176.08

3.5 Expected revenue

The revenue from the miscellaneous and ancillary charges is predicted to be $3.1M pa ($2025-26).

4 Bill Impacts

4.1 New charges

The following new charges are proposed for this pricing period (Note, the numbering of items in this section reference the line items listed in Table 7 above):

7 Water Service Disconnection

c) Physical Disconnection 25mm meter
d) Physical Disconnection 32mm meter
e) Physical Disconnection 40mm meter
f) Physical Disconnection 50mm meter
g) Physical Disconnection 65mm meter
h) Physical Disconnection 80mm meter
i) Physical Disconnection 100mm meter
j) Physical Disconnection 150mm meter

The current single charge for water service disconnection is based on the cost of disconnecting a 20mm water service. Whilst this service constitutes the majority of the water service disconnection requests, greater flexibility is required to recover the additional cost of labour and materials associated with disconnecting larger water services.

8 Replace a missing meter

a) Replace 20mm meter
b) Replace 25mm meter
c) Replace 32mm meter
d) Replace 40mm meter
e) Replace 50mm meter
f) Replace 65mm meter
g) Replace 80mm meter
h) Replace 100mm meter
i) Replace 150mm meter
j) Unsuccessful site visit

Council has experienced a significant increase in water meter theft and illegal water service connections during the current pricing period, particularly on new development sites. This new charge is proposed to encourage property owners to better secure their property to discourage theft of water meters, discourage wilful interference with water meters during construction projects, and recover costs associated with replacement of water meters, particularly when illegal connections to the water service have been established by contractors.

9 Workshop test of water meter

a) Workshop test of 20mm to 80mm meter

b) Workshop test of meter > 80mm

Workshop testing of a water meter is undertaken by a third-party testing facility. In addition to the cost to Council for the testing service, there are labour, freight and ancillary costs associated with meter removal, temporary replacement, and transport to and from the testing facility.

Due to the high variability in the cost associated with undertaking a water meter test, Council proposed in the 2022 pricing review that the service by provided by quotation to the customer requesting the water meter test. IPART did not include the category of Workshop test of water meter in its final determination, resulting in a large number of customers requesting water meter tests as a free service.

To prevent this cross-subsidising of water meter testing costs, Council again proposes that a category of Workshop test of water meter be included in its Fees and Charges:

a) Workshop test of 20mm to 80mm meter
A fixed charge is proposed for this more common category of service, to be refunded if the meter proves to be faulty.

b) Workshop test of meter > 80mm
This service is proposed to be provided by quote, due to the high additional labour, plant hire, freight, testing and other ancillary costs associated with removing, transporting and testing larger water meters.

10 Water Service Connection

d) Water service connection long service (20mm)

h) Water service connection meter only (32mm)

i) Water service connection short service (32mm)

j) Water service connection long service (32mm)

ad) Water service connection meter only (150mm)

Additional categories of water service connection are included to meet customer requirements and ensure that the cost of service delivery is recovered, particularly for services that have a high cost of materials required.

14 Bulkwater Application Fee

Council has installed a series of automated water filling stations to better manage the supply of tankered bulk water. Access to the water filling stations must be pre-approved; the application fee recovers the cost of processing the application and issue of an access card to the applicant.

18 Adjust Existing Water Service

c) Laterally adjust 20mm or 25mm water meter by ≤ 1m

The charge for this service is currently to "Raise, lower or laterally adjust 20mm or 25mm water meter by ≤1m". It is proposed to separate this charge to:

b) Raise or lower adjust 20mm or 25mm water meter by ≤ 1m

c) Laterally adjust 20mm or 25mm water meter by ≤ 1m

due to the lower materials and labour cost to the customer to raise or lower the meter.



4.2 Removed charges

Council proposes the following charges be removed for this pricing period:

1 Conveyancing Certificate – Statement of Outstanding Charges (s360 Certificate)

The Statement of Outstanding Charges was previously issued under section 360 of the *Water Management Act 2000*. As Council is no longer deemed to be a water supply authority under the Act, a statement of outstanding water and sewer charges will be included with section 603 of the *Local Government Act 1993* planning certificate issued by Council.

2 Property Sewerage Line and Drainage Diagram

b) Property sewer line and drainage diagrams (with long section)
There is little demand for this service, as Council does not retain complete records of sewer and drainage line depth within property boundaries.

c) Property sewer line and drainage diagrams (property complex)
This category of service is rarely provided. A more practical solution is to provide a charge for Property sewer line and drainage diagrams per title. Complex property developments across multiple titles will therefore be charged per diagram for each title.

12 Standpipe Hire – Annual Fee

c) Standpipe special reading fee

There is little demand for this service, which will diminish further with the uptake of use of the fixed water filling stations Council has installed.

19 Raise or Lower Sewer Manhole (Inspection Fee)

a) Raise or Lower Sewer Manhole (Inspection Fee)

b) Physical adjustment

Customers will now be allowed to engage their contractor to adjust the sewer manhole. Services are generally required when a contractor is on site, making it more efficient to undertake the works when requirements are identified.

17 Statement of Available Pressure and Flow

Calculation of available pressure and flow is now performed by an external engineering services provider. The proposed charge reflects the additional cost associated with outsourcing this service.

Abbreviations

BBRC	Bateau Bay Recreation Club
DCCEEW	NSW Department of Climate Change, Energy, the Environment and Water
DPIE	NSW Department of Planning, Industry and Environment
DPE	NSW Department of Planning and Environment
CBD	Central Business District
CCC	Central Coast Council
CPI	Consumer Price Index
CWUF	Continuously Washed Up Flow Filter
DSP	Developer Servicing Plan
EDSACC	Entrance District Sporting and Community Centre
EIP	Effluent Improvement Plans
GPWTP	Grahame Park Water Treatment Plant
IDEA	Intermittently Decanting Aeration
IPART	Independent Pricing and Regulatory Tribunal
L/s	Litres per second
L/h	Litres per hour
LGA	Local Government Authority
LRV	Log Reduction Value
LTW	Liquid Trade Waste
RWMP	Recycled Water Management Plan
STP	Sewage Treatment Plant
SPS	Sewer Pump Stations

References

- NSW Department of Planning and Environment Regulatory and Assurance Framework for Local Water Utilities (July 2022)
- NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) Recycled Water Roadmap (June 2025)
- NSW Department of Planning, Industry and Environment (DPIE) Liquid Trade Waste Management Guidelines (2021)
- IPART Review of Central Coast Council water prices – Trade waste and other prices (May 2022)
- IPART Review of Pricing Arrangements for Recycled Water and Related Services (July 2019)
- GHD Central Coast Council Recycled Water and Stormwater Harvesting Strategy (February 2020)

Central Coast Council | Water and Sewer

Technical Paper 9

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September 2025



Technical Paper 10

Council's role, operations and operating context

September 2025

Central Coast Council | Water and Sewer

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1 Key points

- Central Coast Council (Council) is a Local Water Utility (no longer a Water Supply Authority) – refer to Figure 1 for organisational structure.
- Council's population is over 340,000.
- Council's Local Government Area (LGA) is approximately 1,680 square kilometres.
- Council provides approximately 80-83 million litres of drinking water each day.
- Council's water network is approximately 2,264 km of water mains.
- Council's sewer network is approximately 2,686 km of sewer mains.
- Monitoring occurs throughout the water and sewage catchments.
- Council also monitors Ourimbah Creek adjacent to Mangrove Creek Mountain waste management facility.
- Polyfluoroalkyl substances (PFAS) sampling is also undertaken throughout our source and catchment areas, within our dams and treatment plants including biosolids and other high-risk areas.
- Council has three Environment Protection licences, which incorporates effluent ocean outfalls at Norah Head, Wonga Point and Winney Bay respectively.
- Council has pollution incident and management reporting.
- Council has a Quality Management System to develop, hold, review and manage relevant documents associated with water operations.
- Council's regulatory framework includes water planning and management, environment, pricing and finance, work health and safety and public health and safety including dam safety.



Figure 1: Central Coast Council organisational structure

2 Council's role and operations

Central Coast Council (Council) is a Local Water Utility located within the Central Coast Local Government Area (LGA). Council provides water services to a population of approximately 347,425, delivering water and sewer services to more than 139,392 homes and businesses, via a holistic model from catchment to tap. Council's Water and Sewer Directorate's primary focus is to provide quality and reliable water and sewer services, as well as trade waste services to the Central Coast. Refer to Figure 2 for Council's water and sewer business functions.

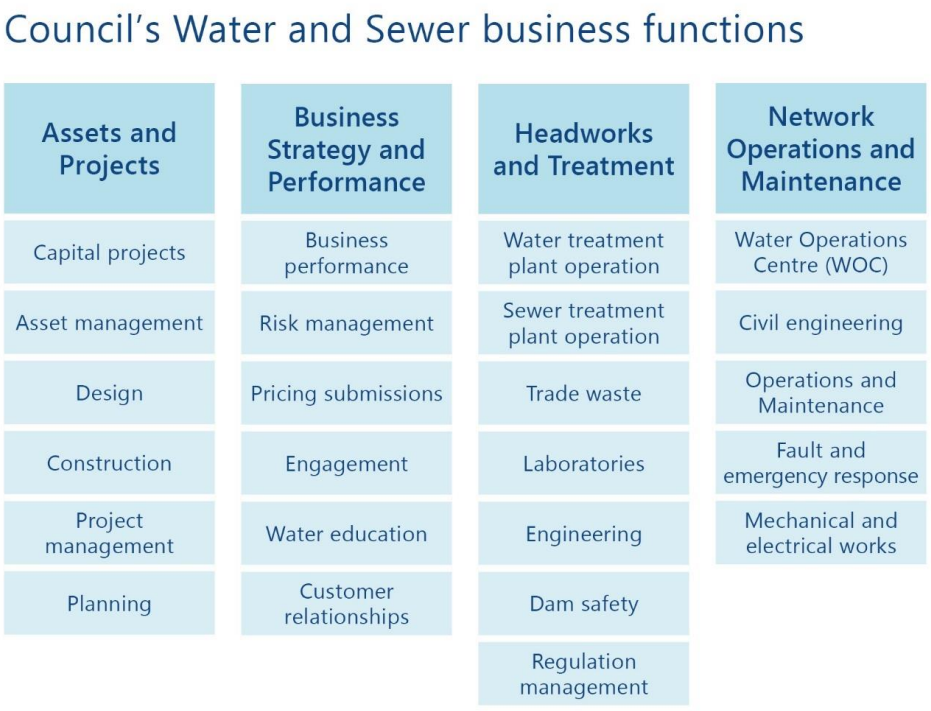


Figure 2: Council's Water and Sewer Directorate business functions

2.1 Role

On the 1 April 2025, Council's status was removed as a Water Supply Authority under the *Water Management Act 2000*. Water and Sewer services are now legislated under the *Local Government Act 1993*.

Council services extend north through to Summerland Point, south to Mooney Mooney, east to the Tasman Sea and west to the border of Wisemans Ferry. Council provides the following functions:

- Harvest, collection, treatment, and delivery of drinking water in accordance with the *Public Health Act 2010*, and Guidelines set by the National Health and Medical Research Council.
- Collection, transport, treatment, recycling or discharging of effluent in accordance with the Environmental Protection Licences (EPL) issued by the NSW Environment Protection Authority (EPA) in accordance with the *Protection of the Environment Operations Act 1997*.

Four basic business products of Council's water and sewer functions are:

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

Figure 3 shows a snapshot of the integrated water and sewage treatment systems in the Central Coast LGA. Council's water delivery process includes managing its catchments, water treatment plants, bulk delivery, and reticulation systems. The sewerage network transfers sewerage to inland treatment plants and subsequently treated effluent to ocean outfalls or to recycling schemes.





Figure 3: Water and Sewer System Map of Central Coast LGA

2.2 Operations

Council's water and sewer network is managed within an LGA of an estimated 1,680 square kilometres.

Currently on average, Council's water network supplies approximately 80 million litres (megalitres or ML) of drinking water each day to residential, commercial, and industrial customers. From the catchment to the tap, water passes through a series of processes to ensure the standard of delivery to the customer is high-quality. Water follows a life cycle from capture to disposal, changing from raw water to filtered to treated water to sewage, then finally treated effluent water.

Raw water enters the catchments as rainfall and flows to waterways, or percolates through the soil to recharge the groundwater aquifers. Water from the waterways either flows directly to the dams or is pumped there. Groundwater can be pumped from bores constructed to access the aquifer only during drought conditions. The collected raw water is transferred to Water Treatment Plants (WTP) for chemical treatment, filtration, and disinfection, and finally passed to the Clear Water Tank (CWT) for storage. The treated water is then dispersed to reservoirs by trunk mains, on to reticulation mains and finally to homes and businesses.

Once water is used in homes and businesses, sewage is transported through a series of sewer mains and moved through the system by pumps.

Sewage is treated to a quality standard specified by the Environment Protection Authority (EPA) and transferred to an outfall for discharge to the ocean at Norah Head, Wonga Point or Winnie Bay.

Some Sewage Treatment Plants (STPs) have the capacity to further treat effluent to be reused for onsite processes, or offsite for irrigation of sporting surfaces, in preference to ocean disposal.

There are four steps to the sewage treatment process:

- Preliminary treatment (removal of coarse solids)
- Primary treatment (removal of settleable solids)
- Secondary treatment (biological removal of organics and some nutrients, the standard set by the EPA for disposal to the ocean outfalls)
- Tertiary treatment (filtration and disinfection, to produce water quality suitable for recycled water use).

In the provision of these services (water and sewer), Council has a large asset base with a written down value of $3.1 billion and a replacement value of $5.7 billion as at 30 June 2024.

2.3 Council services, unique geography and customer base

Central Coast Council was formed in 2016 following the amalgamation of Wyong Shire Council and Gosford City Council. The Central Coast LGA is located between Sydney and Newcastle. Most of the population is located around two major estuarine environments, Tuggerah Lakes and Brisbane Water. The water supply schematic maps in Figure 4 show the water network servicing residents of Council.

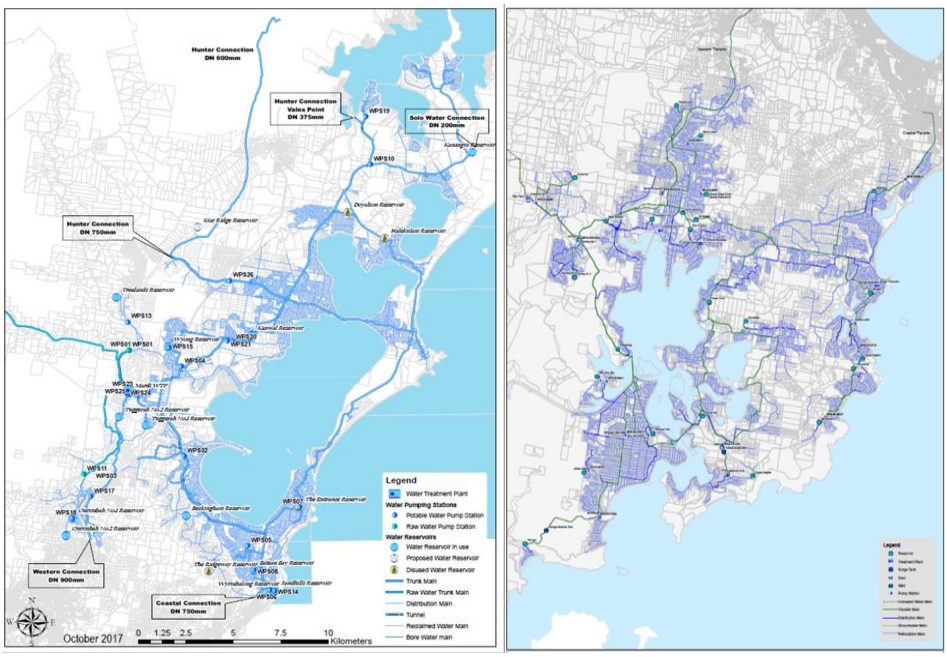


Figure 4: Central Coast Council water supply schematic maps

This network is relatively long due to the geography of the region, and the physical barriers created by the lakes, estuaries, and lagoons. It therefore must be configured to avoid impacts of tidal and storm-related flooding and exposure to acid sulphate soils.

2.3.1 Water services

Council's drinking water system consists of:

- Raw water extraction from the catchments
- Raw water storage
- Treating the raw water to produce drinking water
- Distribution to customers.

Raw water extraction and storages

Bulk raw water for the Central Coast is harvested from Wyong River, Ourimbah Creek, Mooney Mooney Creek, Mangrove Creek and several groundwater aquifers. Mangrove Creek Dam is the major raw water storage with a capacity of 190,000 ML. This storage is supplemented by Mooney Mooney and Mardi Dams, with capacities of 4,600 ML and 7,400 ML respectively.

Water treatment

Council owns and operates two potable Water Treatment Plants (WTPs) located at Mardi and Somersby, two stormwater treatment plants at East Gosford and Terrigal, a combined rainwater and groundwater treatment plant at Central Coast Stadium, Gosford and one groundwater treatment plant at Woy Woy. Figure 5 shows the schematic of water treatment processes for Mardi WTP and Figure 6 shows the schematic for Somersby WTP.

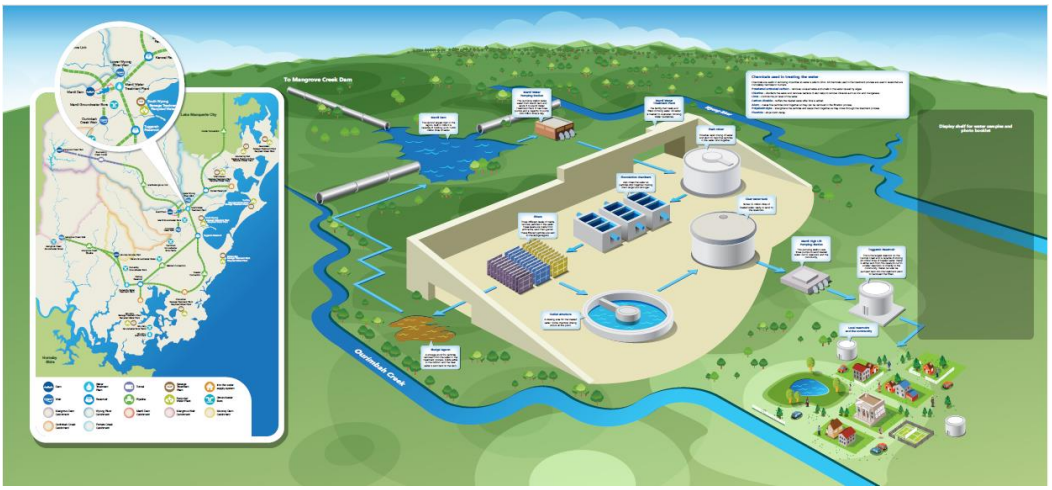


Figure 5: Schematic of Mardi Water Treatment Plant

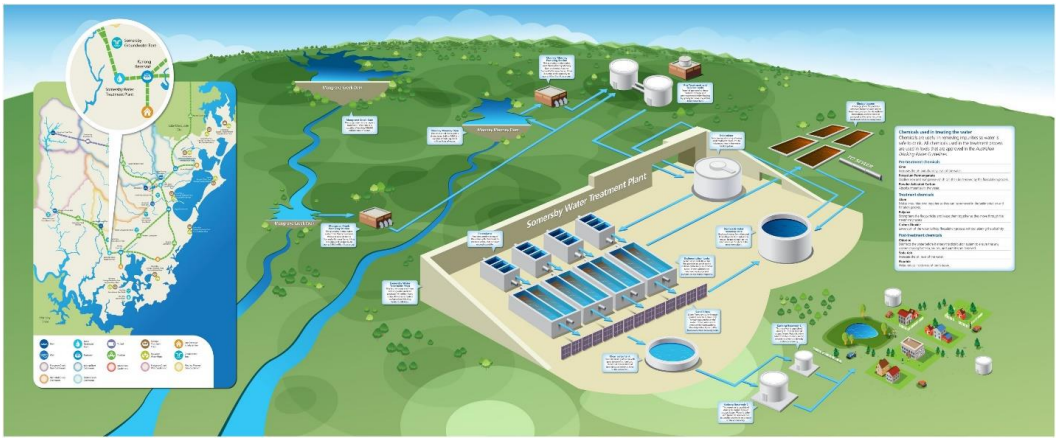


Figure 6: Schematic of Somersby Water Treatment Plant

Water supply network

The water supply network consists of approximately 2,280 km (not including recycled or bore water mains) of water mains, three potable water treatment plants, 71 reservoir structures and 48 water pump stations (including potable and raw). Raw water denotes water that has been taken from the source and has not been treated. A summary of Council's major water assets is provided in Table 1.

Table 1: Central Coast Council major water assets

Water Assets	Amount
Reticulation water mains	1,878 km
Recycled water mains	28 km
Trunk water mains	344 km
Raw water mains	58 km
Bore water mains	14 km
Reservoir structures	71
Water treatment plants	3
Stormwater water treatment plants	3
Declared dams	3
River intakes	3
Groundwater systems	5
Water boreholes	37
Raw water pump stations	6
Potable water pump stations	42
Tunnels	12 km

Three WTPs provide filtered drinking water treated to water quality standards specified in the Australian Drinking Water Guidelines. Somersby and Mardi Water Treatment Plants (WTPs) are conventional media filtration-based water treatment plants, and Woy Woy WTP is a membrane-based filtration plant tailored to its groundwater source. Mardi WTP is currently undergoing an upgrade to incorporate Dissolved Air Flotation [1] clarifiers upstream of the media filters, while Somersby WTP already has sedimentation clarifiers.[2]

[1] Is a water treatment process that uses tiny air bubbles to separate suspended solids.
[2] Also known as settling tanks, which are basins in the WTPs that use gravity to separate suspended solids.

Somersby and Mardi WTPs have similar capacities (140 ML and 160 ML per day respectively), whilst Woy Woy WTP, with a capacity of 5 ML per day, is only recommissioned during drought conditions.

An agreement is in place with Sydney Water to supply approximately 67 ML of potable water per annum to residents in the Mooney Mooney and Cheero Point area network. This area is not connected to the other Council water networks.

An agreement also exists with Hunter Water Corporation, to enable the transfer of treated water (in either direction) between Council and Hunter Water's reticulation systems. The inter-connection is known as the Hunter Connection. Day-to-day transfer rates are dependent on relative storage levels in each system, and operational needs. The pipeline provides yields to both parties with the current agreement expiring in 2026.

2.3.2 Sewer services

The former Wyong and Gosford LGA sewerage systems were developed as stand-alone systems, with no linkages to each other or to the Hunter region. The exception is at Mooney Mooney and Cheero Point, where untreated sewage is collected by Council and pumped to the Sydney Water-owned Brooklyn STP.

Sewage is collected through 2,686 km of sewage mains and 337 pumping stations. Treatment is undertaken at one of eight sewage treatment plants. The bulk of sewage undergoes secondary treatment and is discharged into the ocean via outfalls at Winnie Bay, Norah Head, and Wonga Point. An overview of Council's major sewer assets is shown in Table 2.

Table 2: Central Coast major sewer assets

Sewer Assets	Amount
Gravity sewer mains	2,299 km
Sewer rising mains	253 km
Effluent disposal mains	67 km
Low pressure mains	24 km
Vacuum mains	43 km
Sewer pump stations	337
Vacuum and low-pressure systems	7
Sewage treatment plants	8
Ocean outfalls	3
Tunnels	6 km
Declared dam	1

This process starts when the treated water used by customers is discharged as sewage from kitchen, bathroom, toilets, commercial and industrial sites and other wastewater disposal sites. Sewage flows to the sewer reticulations mains and is then pumped to STPs where it enters the head-of-works. At this point, sewage passes through coarse and fine screens to remove non-biodegradable material such as plastics, cotton tips and sanitary products.

Figure 7 shows the treatment process at Kincumber STP. Council has eight STPs and three ocean outfall sites shown in Table 3. The sewerage systems catchments are shown in Figure 8.



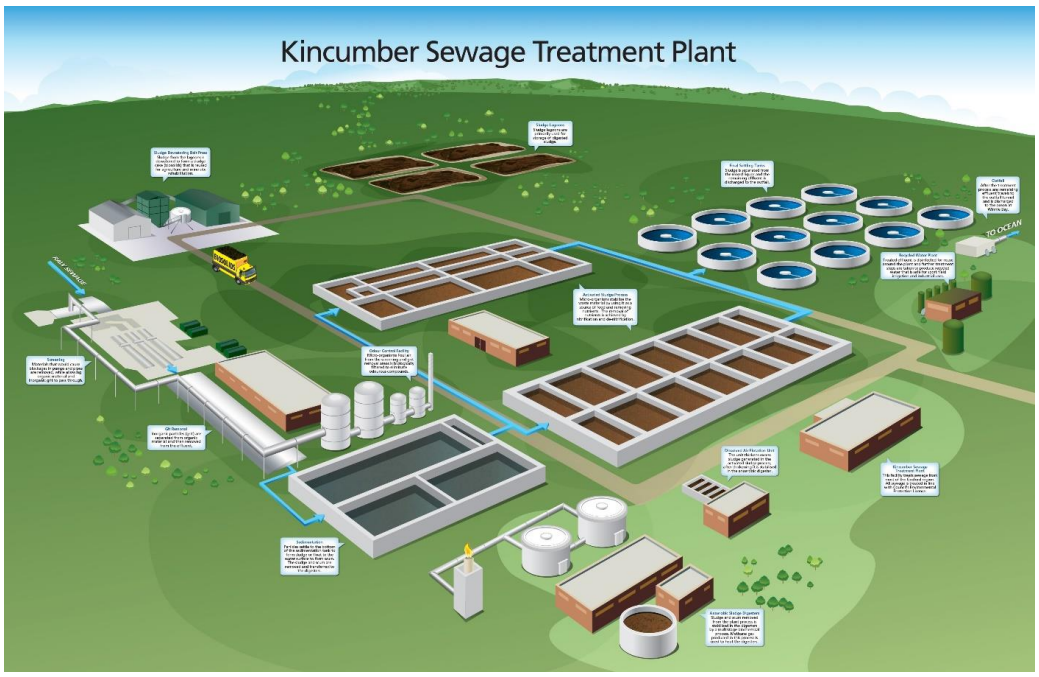


Figure 7: Kincumber Sewage Treatment Plant

Table 3: Central Coast sewage treatment plants

Treatment Plant	Capacity in EP	Treated effluent ocean outfall
Bateau Bay STP	76,800	Wonga Point (EPL 1942)
Charmhaven STP	40,000	Norah Head (EPL 2647)
Gwandalan STP	12,000 (currently operating at 6,000 EP)	
Mannering Park STP	12,000	
Toukley STP	41,500	
Wyong South STP	60,000	
Kincumber STP	180,000	Winney Bay (EPL 1802)
Woy Woy STP	50,000	

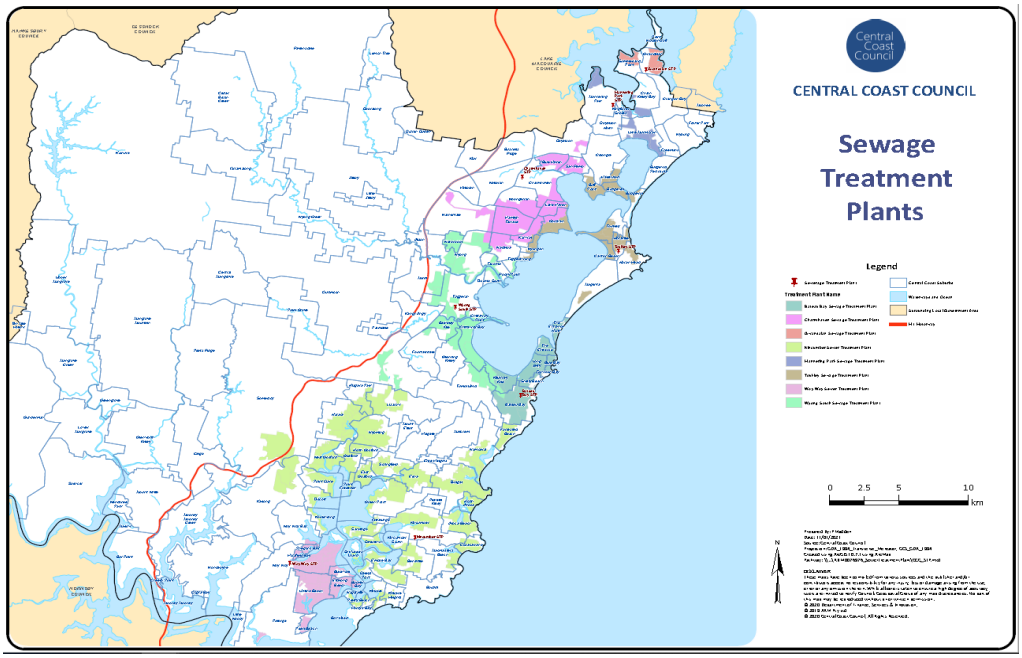


Figure 8: Sewerage system catchments in Central Coast LGA

Monitoring for recurrent operational and regulatory quality purposes occurs throughout the water and sewage networks. Data collected informs the physical, chemical, gaseous, and microbiological composition of water and sewage reticulated, treated and discharged by Council.

In addition to the recurrent operational and regulatory sampling and monitoring programs, non-routine samples are taken at various times during network maintenance, water quality and environmental incidents, customer complaint management, process improvement investigations and proactive and responsive investigations. Council also undertakes routine operational programs such as contamination testing at Ourimbah Creek, adjacent to the Mangrove Mountain Waste Management Facility

Analytical testing of samples for the quality monitoring program is undertaken by:

- Sydney Water Monitoring Services (National Association of Testing Authorities – (NATA[3] Accredited)
- Council, at its Kincumber and Charmhaven laboratories, and *in situ at operating STPs.*
- NSW Health - Water and Environmental Chemistry Laboratory
  University of Newcastle and UTS (University Technology Service).

[3] National association of Testing Authorities - national accreditation body, recognised by government to assess organisations against a number of international standards for laboratories, inspection bodies, proficiency testing providers and reference material producers.

Costs for monitoring in source and reticulation is a significant increase from Council's regular reticulation monitoring. Sampling for PFAS[4] chemicals is undertaken by Council staff and conducted throughout our source and catchment areas (refer to Figure 8), within our dams and treatment plants, across our reticulation network, and in our biosolids and other high-risk areas. Analysis is performed by external NATA-accredited laboratories.

Treatment and disposal of sewage at the eight STPs is regulated by three Environmental Protection Licences (EPLs) issued by NSW Environment Protection Authority (EPA):

- EPL 2647 Norah Head
- EPL 1942 Wonga Point
- EPL 1802 Winney Bay.

EPLs specify the quantity of waste managed by a licence holder as well as the quality of effluent, permitted to be discharged to prevent pollution of the environment. Performance against EPL conditions must be reported to the EPA annually, and each EPL is reviewed by Council and the EPA every five years.

Performance related targets for EPLs regarding the treatment of effluent for quality and quantity (concentrations, and volume and mass limits of discharge of pollutants) are outlined in
Table 4. Each EPL specifies the monitoring location, frequency and location to demonstrate performance against these limits.

Table 4: EPA licence conditions for three sewerage systems

Parameter		EPL 1802	EPL 2647	EPL 1942
Daily flow to outfall limits				
Volume (ML)		150	60	36
Concentration limits				
pH		6.5 – 8.5	6.5 – 8.5	6.5 – 8.5
BOD (mg/L)	90th %ile	~~30~~	-	-
	Maximum (100th %ile)	30	-	30
Oil & grease (mg/L)	50th %ile	5	5	5
	90th %ile	10	10	10
	3DGM	15	15	15
	Maximum (100th %ile)	10	-	10
Total suspended solids (mg/L)	50th %ile	35	35	35
	90th %ile	50	50	50
	3DGM	60	60	60
	Maximum (100th %ile)	65	-	50
Ammonia (mg/L)	Maximum	30	-	30

[4] PFAS- polyfluoroalkyl substances, are a group of man-made chemicals

Parameter		EPL 1802	EPL 2647	EPL 1942
	(100th %ile)			
Annual load limits				
Total nitrogen (kg)		227,682	175,750	75,745
Oil and grease (kg)		8,791	40,036	10,862
Total suspended solids (kg)		243,683	150,450	17,788
Cadmium (kg)		41.08	14	-
Chromium (kg)		63.84	14	-
Copper (kg)		113.26	160	-
Lead (kg)		4.43	14	-
Mercury (kg)		0.41	2	-
Selenium (kg)		101.69	14	-
Zinc (kg)		561.67	280	-
Pesticides and PCBs (kg)		1.77	3	-

Sampling is performed at an array of locations at each STP. Location, frequency and parameters can be modified depending on the operational requirements of the treatment plants. In addition to routine sampling and monitoring, non-routine samples are taken during network maintenance, environmental incidents, customer complaint management, process improvement investigations, and proactive and responsive investigations. The Australian Government's Expert Health Panel for PFAS found that although the scientific evidence in humans is limited, reviews and scientific research to date have provided consistent reports of an association with several health effects. The health effects reported in these associations are generally small and within normal ranges for the whole population. There is also limited to no evidence of human disease or other clinically significant harm resulting from PFAS exposure at this time. The monitoring sites associated with sewage treatment include:

- Rising mains and pump stations
- Raw influent entering the plant head of works
- Sedimentation tanks – sludge sampling
- Digester tanks – sludge
- Reactors/aerators
- Clarifier tanks
- Final holding tanks
- Bypass to sand dunes (Toukley)
- Tunnels
- Lagoon (supernatant)
- Recycled water
- Surf zone testing at adjacent beach sites
- Dewatered sludge cake (heavy metals and pesticides, total solids).

2.3.3 Pollution incident management and reporting

Council is obliged to manage and report to the EPA, other regulators and the local community. Council must attend to, contain, repair, remediate and report any incident that has the potential to cause significant environmental harm, public health risk, or incur a cost of more than $10,000 to rectify. Such incidents may include:

- Spill of raw sewage or treated effluent
- Chemical spills
- Odour
- Biogas leak
- Chlorinated water discharge causing property damage or entering waterbodies
- Dam contamination.

Following an incident reported to the EPA by telephone, Council has seven days to submit a written report to the EPA. The report must detail the cause of the event, actions undertaken to identify and mitigate the environmental impacts, and suggest improvements to reduce the risk of reoccurrence.

Council has developed an extensive incident management framework, action plan and other protocols to:

- Minimise any potential harm to community, animals and the environment
- Inform relevant authorities and public
- Return to normal as soon as practicable.



2.3.4 Management systems

Council maintains a Water and Sewer Quality Management System (QMS) to develop, hold, review, and manage relevant documents associated with water operations to deliver a safe and consistent service. The QMS is designed to assure conformance to specified responsibilities, processes, and resources and encourages continuous improvement that will also benefit customer satisfaction.

The implementation of a well-structured QMS will enable Council to:

- Fulfil Council's commitment to delivery of high-quality drinking water and provide safe environment for all residents
- Ensure public health and protect environment
- Meet legislative, regulatory and operational requirements
- Reduce and manage risks through trend analysis, anomaly alerts
- Enable consistent delivery of services
- Carry out proactive and responsive monitoring and investigations
- Maintain reputation with customers, visitors, regulators and other stakeholders
- Enable strategic planning
- Maintain a QMS according to industry best practice.

Council's Water and Sewer QMS consists of a set of policies, processes and procedures required for planning and executing its water and sewer operations. Key purposes are:

- To ensure compliance with a standard or regulatory body
- To enable identification of non-conformances and the implementation of continual improvement.

3 Legislative and regulatory frameworks

3.1 Regulatory framework

Council's water and sewer operations are regulated through a range of legislative and other controls.

The current regulatory framework can be grouped into the categories presented in Figure 9. Some legislation is relevant to more than one category and is presented in its dominant category.

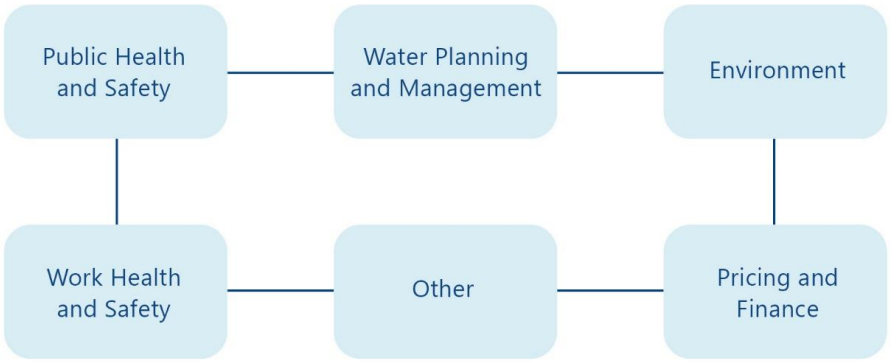


Figure 9: Regulatory categories for a water utility

The regulatory frameworks for Council's water and sewer businesses can be found in *Appendix A*.

Critical aspects of the regulatory framework for Council's water and sewer are described in Table 5 and the mechanism that IPART uses for regulation of Council's water and sewer services is detailed in Table 6:

Table 5: Summary of Council's regulatory framework

Category	Description
Water Planning and Management	***Water Management Act 2000*** s64 of the *Local Government Act 1993*, allows Council to use WMA 305 for developer works which will relate to the developer charges and works approval requirement. As a local water utility (without an operating licence), Council must comply with the Best Practice Guidelines for Water and Sewerage, and annually report performance to the NSW Department of Planning, Industry and Environment. *Administered by NSW Department of Planning, Industry and Environment – Water under the Minister for Water, Property and Housing.*

Category	Description
	Water Act 2007 (Cth) Council is required to provide water resources, usage and management data to the Bureau of Meteorology (BoM) in accordance with the prescribed timeframes and formats. *Administered by Bureau of Meteorology under the Minister for the Environment.* ***Security of Critical Infrastructure Act 2018 (Cth)*** The Security Legislation Amendment (Critical Infrastructure Protection) Act 2022 (SLACIP Act) amends the Security of Critical Infrastructure Act 2018 (the SOCI Act) to build upon the existing framework and uplift the security and resilience of Australia's critical infrastructure. *Administered by the Critical Infrastructure Centre under the Minister for Home Affairs.*
Environment	***Protection of the Environment Operations Act 1997*** Council is broadly required to take all practicable measures to prevent harm to the environment. An Environment Protection Licence (EPL) is required to manage several waste treatment functions, including operation of a sewerage system. *Administered by Environment Protection Authority under the Minister for the Environment.* ***Environmental Planning and Assessment Act 1979*** Council is required to assess the environmental impacts of its activities and mitigate these appropriately. Development consent may be required for some works depending on their nature and location. *Administered by Department of Planning, Industry and Environment under the Minister for Planning and Public Spaces.*
Pricing and Finance	***Independent Pricing and Regulatory Tribunal Act 1992*** Council pricing for water and sewer services is statutorily determined by IPART. Council cannot charge any more than the price determined by IPART or charge a price less than that determined by IPART without the approval of the Treasurer. *Administered by Independent Pricing and Regulatory Tribunal (IPART).* ***Public Finance and Audit Act 1993*** The Audit Office conducts financial and performance audits, principally under the *Public Finance and Audit Act 1983* and the *Corporations Act*

Category	Description
	2001 and examines allegations of serious and substantial waste of public money under the *Public Interest Disclosures Act 1994*. ***Local Government Act 1993*** Council is required to prepare and maintain accounting records in accordance with Australian Standards and requirements of the Acts. *Administered by NSW Audit Office under the Treasurer.*
Public Health and Safety	***Public Health Act 2010*** Council is obliged to follow advice issued by the Chief Health Officer regarding drinking water safety, including the requirement to develop and maintain a Drinking Water Management System. *Administered by NSW Health under the Minister for Health.* ***Fluoridation of Public Water Supplies Act 1957*** Council adds fluoride to the drinking water supply in accordance with the Act and Regulation, and the Fluoridation Code of Practice. *Administered by NSW Health under the Minister for Health.* ***Dams Safety Act 2015*** Council is required to ensure the safety of its dams. ***Dams Safety Regulation 2019*** Council is required to comply with the Dam Safety Regulations in relation to the management of its stormwater and water supply dams. *Administered by Dams Safety NSW under the Minister for Water, Property and Housing.*
Work Health and Safety	***Work Health and Safety Regulation 2017*** Council is required to secure and promote the health, safety and wellbeing of staff. *Administered by SafeWork NSW under Minister for Innovation and Better Regulation.*
Other	***Competition and Consumer Act 2010*** The Council must not engage in any misleading or deceptive conduct. *Administered by Australian Competition and Consumer Commission under the Treasurer.*
Australian Accounting Standard	***Australian Accounting Standard AASB116*** AASB 116 Property, Plant and Equipment prescribes the accounting treatment for property, plant and equipment (PPE) including their recognition, and the determination of their carrying amounts, depreciation and impairment losses.

Table 6: IPART's mechanism of regulation for Council's water and sewer services

Detail	How IPART regulates prices	In this submission?
Water supply services		
Drinking water supply	Price determination	✓
Voluntary reclaimed water schemes	As per Commercial Agreements as IPART encourages unregulated pricing agreements. IPART has deferred determining prices for each scheme until they receive a request for a scheme-specific review.	X
Sewer services		
Sewerage services	Price determination	✓
Backlog sewerage schemes	Price determination	✓
Trade waste services		
Trade waste services	Price determination	✓
Services supplied in connection with the provision of upgrading of water and sewer facilities for new developments		
Development Assessment for Water and Sewerage (forms part of the ancillary and miscellaneous customer service charges)	Price determination	✓
Ancillary and miscellaneous customer services		
IPART set a range of charges for miscellaneous services that are not used by all customers. These services are generally paid upfront and cover a wide range such as certification, property site plans, water connections, standpipe hire, special meter reads, etc. These charges are only incurred by customers who require these services.	Price determination	✓

4 Implementation of the 2022 determination

Council has implemented the IPART 2022 Price Determination for water, sewer and associated services since it came into effect 1 July 2022. Each year, Council updates prices for inflation in accordance with the Consumer Price Index (CPI) as notified by IPART, following the March quarter release of the CPI by the Australian Bureau of Statistics. Council also provides annual updates to IPART in the Annual Information Return to IPART.

It is unlawful to charge more than the price determined by IPART for a service, or a price calculated in accordance with a methodology determined by IPART. Council may only charge less than the IPART determined price, with the approval from the NSW Treasurer.

4.1 Public health and safety

4.1.1 Water quality

The NSW Department of Health provides advice to the NSW Government on drinking water standards and reclaimed water quality, to ensure Council supplies water that is safe to use for the purposes for which it is provided. Council is bound by legislation such as the *Public Health Act 2010* and the *Public Health Regulation 2022* to protect the health of users of its supplied water.

4.1.2 Dam safety

Council owns, operates, and maintains seven (7) dams that are prescribed under the *Dams Safety Act 1978* (NSW): Lower Mooney Dam, Upper Mooney Dam, Mangrove Creek Dam, Mardi Dam, Palm Tree Grove Detention Basin, Wyong Road Detention Basin and Pecan Close Detention Basin. These can be seen in Table 7 and Figure 10.

Table 7: Prescribed dams, consequence category and responsible Directorate

Name	Responsible Directorate	Consequence Category
Lower Mooney Dam	Water and Sewer	Low
Upper Mooney Dam	Water and Sewer	High C
Mangrove Creek Dam	Water and Sewer	High A
Mardi Dam	Water and Sewer	Extreme
Palm Tree Grove Detention Basin	Roads Transport Drainage	High C
Wyong Road Detention Basin	Roads Transport Drainage	High C
Pecan Close Detention Basin	Roads Transport Drainage	Low

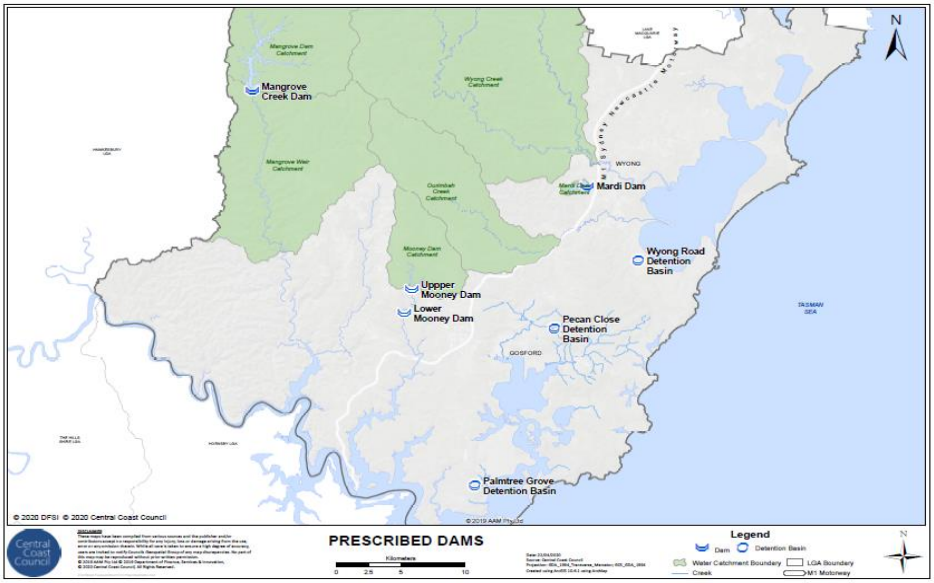


Figure 10: Council's seven (7) prescribed dam locations

The *Dam Safety Act 2015* and the *Dam Safety Regulation 2019* is in place to ensure that dams meet a level of safety acceptable to the community. Guidelines relevant to the design, operation and management of dams are produced by the Dams Safety NSW and the Australian National Committee on Large Dams.

Council is responsible for ensuring the following activities are undertaken:

- Proper operation, maintenance and surveillance of the dams using trained personnel.
- Ongoing assessment of dam behaviour based on surveillance information.
- Periodic review of each dam's compliance with current Dams Safety Committee requirements. Comprehensive surveillance reports are required to be submitted to the Dams Safety Committee at five yearly intervals.
- Review of all dam information and assessments by experienced personnel.
- Actions, in response to dam assessments, to ensure that the dams are maintained in a safe condition.
- Appropriate dam safety emergency plans in place for dams whose failure could cause loss of life.

Council has recently completed two major dam safety investigations at Mangrove Creek Dam and Mardi Dam which have confirmed confidence in the current management and operation of the two dams.

In 2020, Council completed a comprehensive risk analysis and investigation for the proposed upgrade of Mangrove Creek Dam's existing spillway. The investigation identified the proposed upgrade was not required to return the Full Supply Level (FSL) of the dam to the original operational 100 % FSL. This was due to the adoption of an alternate 'risk based'

assessment approach under the new *Dam Safety Regulation 2019*. The risk assessment was undertaken by specialist dam safety professionals and subject to an independent peer review, as required by Dam Safety NSW.

The review identified some potential capital works associated with the existing parametric joins in the dam wall and drainage works associated with the spillway. However, these works are not likely required unless Council was to raise the height of the dam beyond the current 100% FSL. Council has considered this option as part of development of the Central Coast Water Security Plan however, this option is not included in either of Council's preferred portfolios. Neither of these potential projects is therefore included in this pricing submission.

4.1.3 Environmental protection

Council undertakes a range of activities to manage any environmental impacts associated with the activities it undertakes in the delivery of its services.
Current activities under the banners of priorities that our customers would like to see addressed include:

- Protecting oceans and marine life:
  - Scoping and design of a marine benthic studies program around our three ocean outfalls in collaboration with a local university. The proposed monitoring program will be submitted to NSW EPA for review and approval prior to commencement as a Pollution Reduction Study under EPLs 2647, 1802 and 1942.
  - Routine water quality monitoring is undertaken downstream of critical assets and sensitive receiving environments to better understand background environmental conditions in the event of a sewage spill or other similar pollution event.
  - Water quality audit of Terrigal Lagoon catchment commenced to demonstrate the long-term benefits of the sewer lining program completed and identify if further investigations of sewer integrity issues are required.
  - Microbial Source Tracking investigated as a method for rapidly determining if high bacteria counts identified are human-sourced and indicative potential sewage discharge, or from other sources (dogs, birds).

- Minimising biodiversity impacts from our activities:
  - All infrastructure activities are assessed under a Review of Environmental Factors (Part 5 of the *Environmental Planning and Assessment Act 1979*), as set out in the Environmental Planning and Assessment Regulation 2000. This assessment considers flora, fauna, biodiversity, water, soil, heritage, community and social impacts.
  - Identified impacts are assessed and mitigated to protect waterways, biodiversity, threatened species and heritage.

- Disturbance to ground or trees is assessed to determine if there are impacts to Aboriginal heritage, using a Due Diligence Assessment. Staff that undertake this assessment have undertaken Aboriginal heritage training.
- Weeds and pest animals are managed in dam catchments to prevent spread to surrounding lands.
- Flora and fauna biodiversity monitoring and recording is undertaken throughout dam catchments to understand the ecological value under management and implement management programs where required.

- Using renewable energy for treatment plants:
  - Energy co-generation potential has been investigated at Kincumber STP, with four consultant studies having been completed since 2001, the last being in 2017. Further investigations will be undertaken as part of the planned climate change mitigation and adaptation project (2025-2027).
  - Solar PV has been installed at Bateau Bay STP, Wyong South STP, Kincumber STP, Charmhaven STP, Toukley STP, Somersby WTP and Mardi WPS, with the energy generated feeding into the operational demand of the plants.
  - Heat is recovered from combustion of methane generated from digestion of sewage sludge to heat the digesters and support the biological treatment processes at Kincumber STP, Toukley STP, and Bateau Bay STP. This reduces demand for fossil fuels and reduces discharge of greenhouse intensive methane.
  - Monitoring for calculation of greenhouse gas emissions has been done in accordance with Department of Climate Change Energy, the Environment and Water (DCCEEW) reporting requirements. Further investigations of monitoring requirements will be undertaken as part of the planned climate change mitigation and adaptation project (2025-2027).
  - Climate change risk and adaption – Consultants have been engaged to commence the Water and Sewer Master Plan, which will include identify climate change risk analysis and adaptation strategies to consider.

Projects to be undertaken in the 2025/26 financial year include:

- Preparation of a climate change mitigation and adaptation plan, including improved greenhouse gas emission quantification and asset resilience will commence. This three-year project will inform Council of the improvement actions required to reach compliance with the NSW *Climate Change (Net Zero Future) Act 2023,* with the project split into two areas of focus:
  - Climate change mitigation – greenhouse gas emissions reduction opportunities and operational efficiency requirements to mitigate the generation of greenhouse gases.

  - Assets resilience and adaptation – how we ensure our assets are resilient to the impacts of changing climate, particularly with accelerated loss of capacity and physical integrity of the infrastructure.
- Continuation of the Terrigal Lagoon water quality audit and extension into the Avoca Lagoon catchment, to verify the beneficial outcome of the sewer relining works and identify additional sewer rehabilitation works that may be required.

- Review current efficiency performance of solar PV works currently installed and undertake improvements where required.

- Submit application for grant for upgrade of energy generation infrastructure at existing water and sewer facilities.

- Improve incorporation of sustainability metrics into current project planning and delivery to reduce long-term greenhouse gas, energy and ecological footprints of projects, and transparency for reporting improved environmental and sustainability outcomes to our customers.

4.1.4 Licenced activities

The *Protection of the Environment Operations Act 1997* (POEO Act) aims to minimise the environmental impact of Council operations. The POEO Act is enabled via the *Protection of the Environment Operations (General) Regulation 2022* and administered by the EPA.

Some Council activities prescribed in the POEO Act require an EPL. Each EPL has pollution prevention and monitoring guidelines for undertaking waste management activities.

Water and Sewer operates several premises in accordance with the following EPLs:

- 12633 Mooney Mooney and Cheero Point Sewage Scheme
- 12170 Waters of Mangrove Creek Dam and Mooney Dam (Application of algaecides)
- 2647 Toukley Sewerage System
- 1942 Bateau Bay Sewerage System
- 1802 Kincumber and Woy Woy Sewerage System.

Activities undertaken under the conditions of the EPLs must be reported annually to the EPA.

4.1.5 Access to water sources

Until 1975, Gosford City and Wyong Shire Councils had separate water supply schemes. The Gosford scheme was based on Mangrove Creek Weir and Mooney Dam, located on the upper reaches of Mooney Mooney Creek. Water could be transferred from Mangrove Creek Weir or Mooney Dam to the Somersby WTP before distribution through the Kariong Reservoirs to the Gosford community.

The Wyong water supply scheme was based on a weir and pumping station on the lower Wyong River, that transferred water to Mardi Dam for off-river storage. Mardi Dam provided the balancing storage and drought security where water was treated (disinfected) and distributed to the Wyong community.

In 1975, Gosford City and Wyong Shire Councils resolved to integrate and augment their water supply schemes. The joint scheme was designed to harvest water from Wyong River and Mangrove, Mooney Mooney and Ourimbah Creeks with the key element, a major new water storage dam (190,000 ML) on Mangrove Creek. Mangrove Creek Dam was commissioned in 1980.

Council's access to water sources is regulated by its Water Access Licences (WAL) that specify the volumetric entitlements of the licence holder. Council holds WALs for extracting water from several locations, refer Table 8.

Table 8: Fresh water sources accessible to Central Coast Council and their use

Location	Use
Ourimbah Creek	Town water
Wyong River	Town water and farming
Tuggerah Lakes	Recreational
Sydney Basin-North Coast Groundwater	Town water and recreational
Hawkesbury to Hunter Coastal Sands	Recreational
Mangrove Creek	Town water
Mooney Mooney Creek	Town water
Hunter Groundwater	Town water and recreation
Kulnura Mangrove Mountain Groundwater	Town water and recreation

Abbreviations

BoM	Bureau of Meteorology
CWT	Clear Water Tank
EPA	Environment Protection Authority
EPL	Environment Protection License
IPART	Independent Pricing and Regulatory Tribunal
LGA	Local Government Area
ML	Megalitre
POEO	Protection of the Environment Operations Act 1997
QMS	Quality Management System
RAB	Regulated Asset Base
STP	Sewage Treatment Plant
WAL	Water Access Licence
WTP	Water Treatment Plant

References

- Australian Accounting Standard AASB116
- Australian Drinking Water Guidelines 2011
- Competition and Consumer Act 2010
- Dams Safety Act 2015
- Dams Safety Regulation 2019
- Environmental Planning and Assessment Act 1979
- Fluoridation of Public Water Supplies Act 1957
- Independent Pricing and Regulatory Tribunal Act (IPART) Act 1992
- Local Government Act 1993
- New South Wales Code of Practice for the Fluoridation of Public Water Supplies 2018
- NSW Government "Best Practice" Guidelines for Water Utilities (Industry Guideline)
- Protection of the Environment Administration Act 1991
- Protection of the Environment Operations Act 1997
- Protection of the Environment Operations (General) Regulation 2022
- Public Finance and Audit Act 1983
- Public Health Act 2010
- Public Health Regulation 2022
- Security of Critical Infrastructure Act 2018 (Cth)
- Water Management Act 2000
- Water Act 2007 (Cth)
- Water Management (General) Regulation 2018
- Work Health and Safety Act 2011
- Work Health and Safety Regulation 2017

Appendix A

- Aboriginal Land Rights Act 1983
- Aboriginal Land Rights Regulation 2020
- Australian Drinking Water Guidelines 2018 (Industry Guideline)
- Biosecurity Act 2015
- Biosecurity Regulation 2017
- Biodiversity Conservation Act 2016
- Biodiversity Conservation Regulation 2017
- Climate Change (Net Zero Future) Act 2023
- Coastal Management Act 2016
- Competition and Consumer Act 2010 (Cth)
- Contaminated Land Management Act 1997
- Contaminated Land Management Regulation 2022
- Crown Land Management Act 2016
- Crown Land Management Regulation 2018
- Dams Safety Act 2015
- Dams Safety Regulation 2019
- Dangerous Goods (Road and Rail Transport) Act 2008
- Dangerous Goods (Road and Rail Transport) Regulation 2022
- Environment Protection and Biodiversity Conservation Act 1999 (Cth)
- Environment Protection and Biodiversity Conservation Regulations 2000 (Cth)
- Environmental Planning and Assessment Regulation 2021
- Fluoridation of Public Water Supplies Act 1957
- Fluoridation of Public Water Supplies Regulation 2022
- Fire and Rescue NSW Act 1989
- Fire and Rescue NSW Regulation 2023
- Fisheries Management Act 1994
- Fisheries Management (General) Regulation 2019
- Central Coast Development Control Plan 2022
- Central Coast Local Environmental Plan 2022
- Government Sector Audit Act 1983
- Heritage Act 1977
- Heritage Regulation 2012
- Independent Pricing and Regulatory Tribunal Act 1992
- Local Government Act 1993
- Local Government (General) Regulation 2021
- Local Land Services Act 2013

- Local Land Services Regulation 2014
- Marine Estate Management Act 2014
- National Parks and Wildlife Act 1974
- National Parks and Wildlife Regulation 2019
- Natural Resources Commission Act 2003
- NSW Government "Best Practice" Guidelines for Water Utilities (Industry Guideline)
- New South Wales Code of Practice for the Fluoridation of Public Water Supplies 2022
- Pesticides Act 1999
- Pesticides Regulation 2017
- Plantations and Reafforestation Act 1999
- Plantations and Reafforestation (Code) Regulation 2001
- Plumbing and Drainage Act 2011
- Plumbing and Drainage Regulation 2017
- Protection of the Environment Operations Act 1997
- Protection of the Environment Operations (Clean Air) Regulation 2022
- Protection of the Environment Operations (General) Regulation 2022
- Protection of the Environment Operations (Noise Control) Regulation 2017
- Protection of the Environment Operations (Waste) Regulation 2014
- Public Health Act 2010
- Public Health Regulation 2022
- Roads Act 1993
- Roads Regulation 2018
- Security Legislation Amendment (Critical Infrastructure Protection) Act 2022 (SLACIP Act
- State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017
- State Environmental Planning Policy (Exempt and Complying Development Codes) 2008
- State Environmental Planning Policy (Infrastructure) 2007
- State Environmental Planning Policy (Koala Habitat Protection) 2021
- State Environmental Planning Policy (Mining, Petroleum, Production and Extractive Industries) 2007
- State Environmental Planning Policy (State and Regional Development) 2011
- State Environmental Planning Policy (State Significant Precincts) 2005
- State Environmental Planning Policy (Coastal Wetlands) 2018
- State Environmental Planning Policy No 19- Bushland in Urban Areas
- State Environmental Planning Policy 33- Hazardous and Offensive Development
- State Environmental Planning Policy 36- Manufactures Home Estates
- State Environmental Planning Policy 52- Farm Dams and Other works in Land and Water Management Plan Areas
- State Environmental Planning Policy No 55- Remediation of Land

- State Environmental Planning Policy No 62- Sustainable Aquaculture
- Sydney Regional Environmental Plan No 8 (Central Coast Plateau Areas)
- Water Act 1912
- Water Act 2007 (Cth)
- Water (Part 2- General) Regulation 1997
- Water (Part 5- Bore Licences) Regulation 1995
- Water (Part 5- Drillers' Licenses) Regulation 1995
- Water Management Act 2000
- Water Management (General) Regulation 2018
- Water Sharing Plan for the Central Coast Unregulated Water Sources 2009
- Water Sharing Plan for the Central Coast Unregulated and Alluvial Water Sources 2021
- Wilderness Act 1987
- Work Health and Safety Act 2011
- Wyong Development Control Plan 2013
- Wyong Local Environmental Plan 2013

Central Coast Council | Water and Sewer

Technical Paper 10

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September 2025



Technical Paper 11

Accountability, customer influence and self-assessment

September 2025

Central Coast Council | Water and Sewer

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1 Key points

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

Box 1 Council's approach to self-assessment

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



2 Focus principles

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

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

Council's two focus principles are:

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

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

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

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



3 Accountability

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

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

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

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

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

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

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

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

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

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

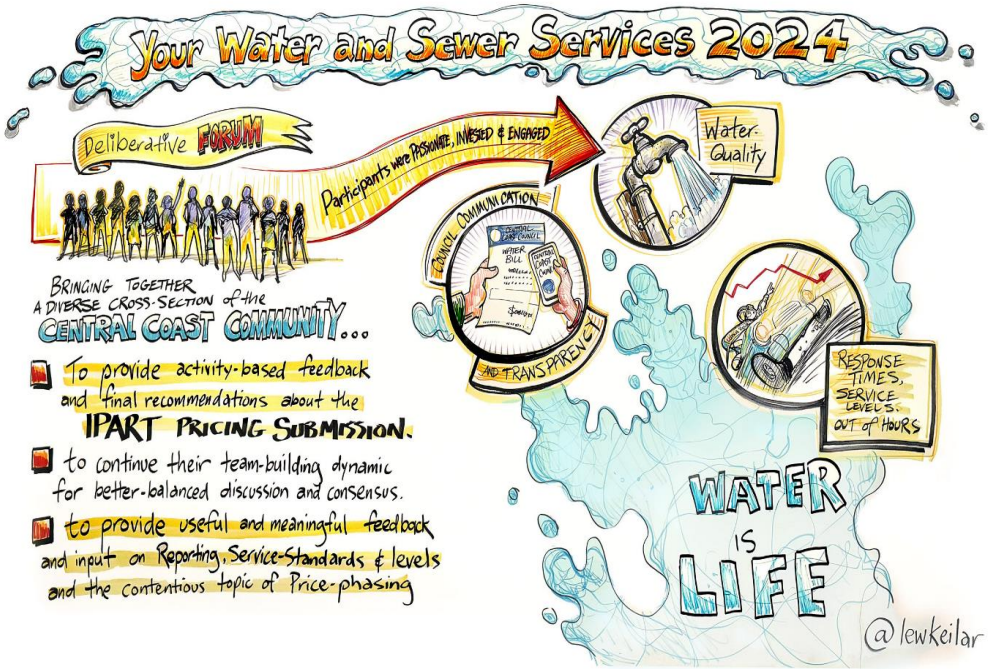


Figure 1: Community engagement ideas board from 2024 Engagement

4 How our community influence planning

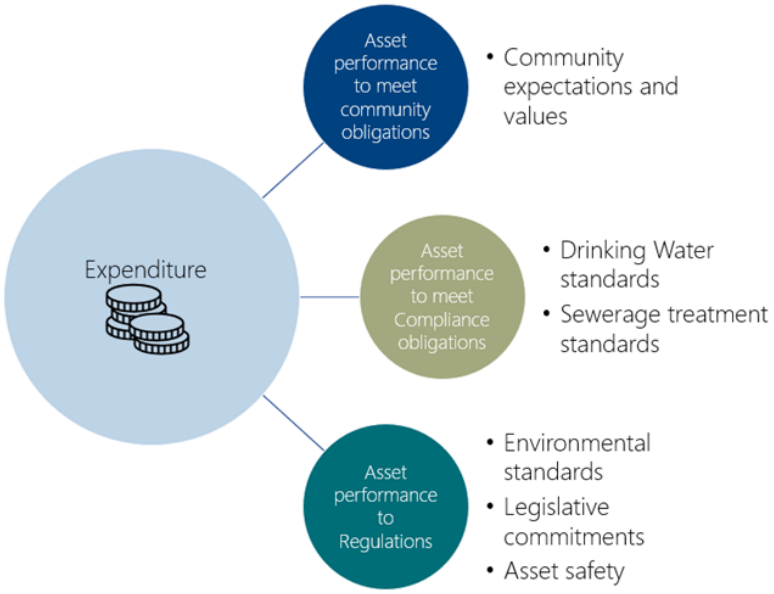


Figure 2: Community influencing planning

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

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

4.1 How customer/community preferences have influenced expenditure.

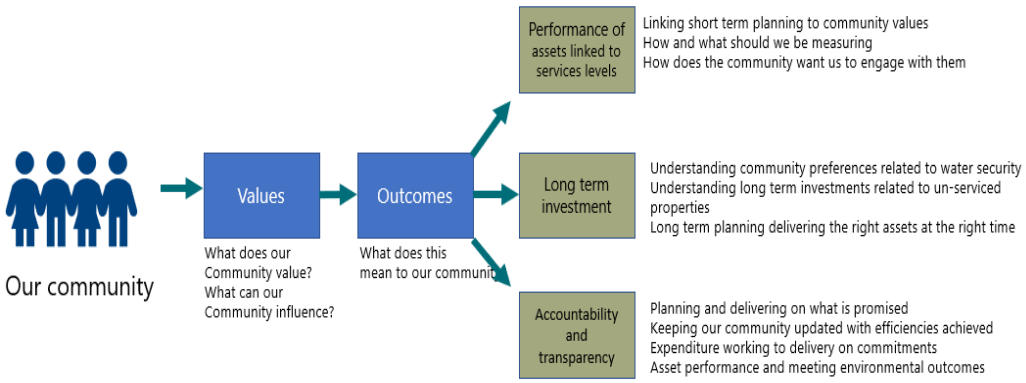


Figure 3: Values to outcomes linked to performance, investments, and accountability.

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

Table 1: Actions related to community values

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

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

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

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

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

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

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

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

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



4.2 Improving our performance

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

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

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

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

Table 2: Performance measures and customer feedback

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

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

5 Summary of expenditure profiles

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

5.1 Our capital works program

Council's total capital expenditure for the determination period (2026-31) totals approximately $593M ($2025-26) as shown in Table 3. Table 4 shows the breakdown of capital expenditure against the community values across the proposal period. Figure 4 and Figure 5 show the percentage of capital expenditure linked to our community values for water and sewer respectively.

Table 3: Proposed capital expenditure linked to community values

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

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

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

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

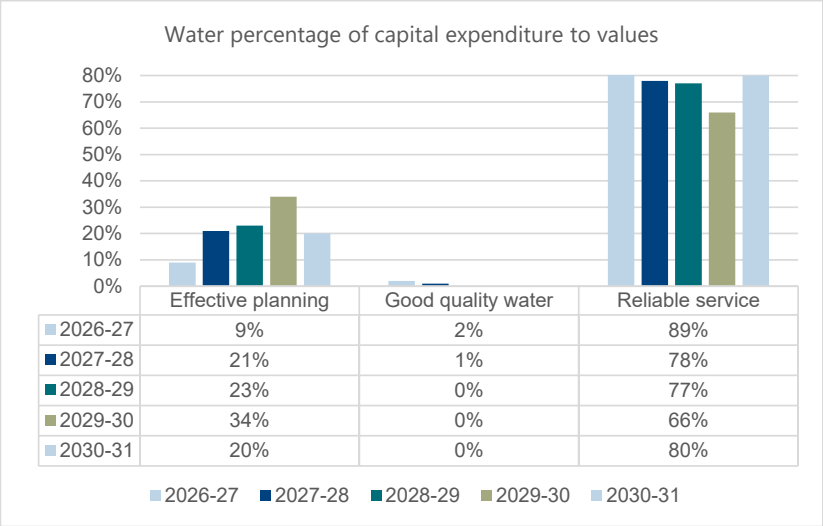


Figure 4: Proposed water percentage investment to align with community values

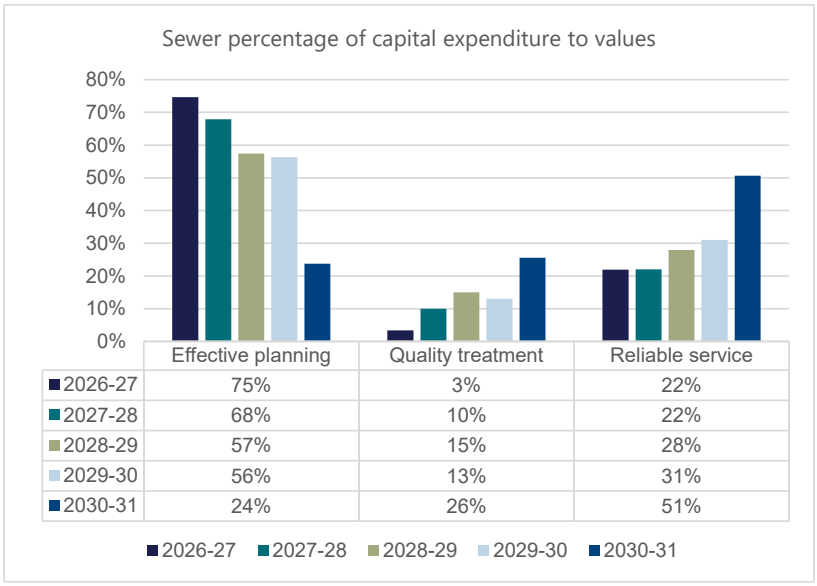


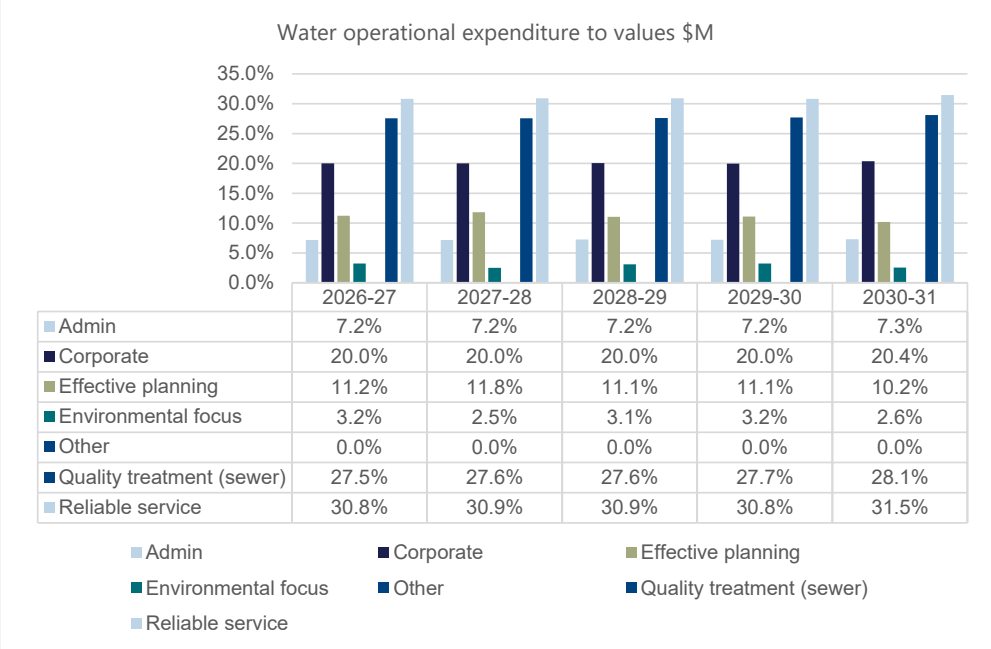
Figure 5: Proposed sewer percentage investment to align with community values

5.2 Our operational program

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

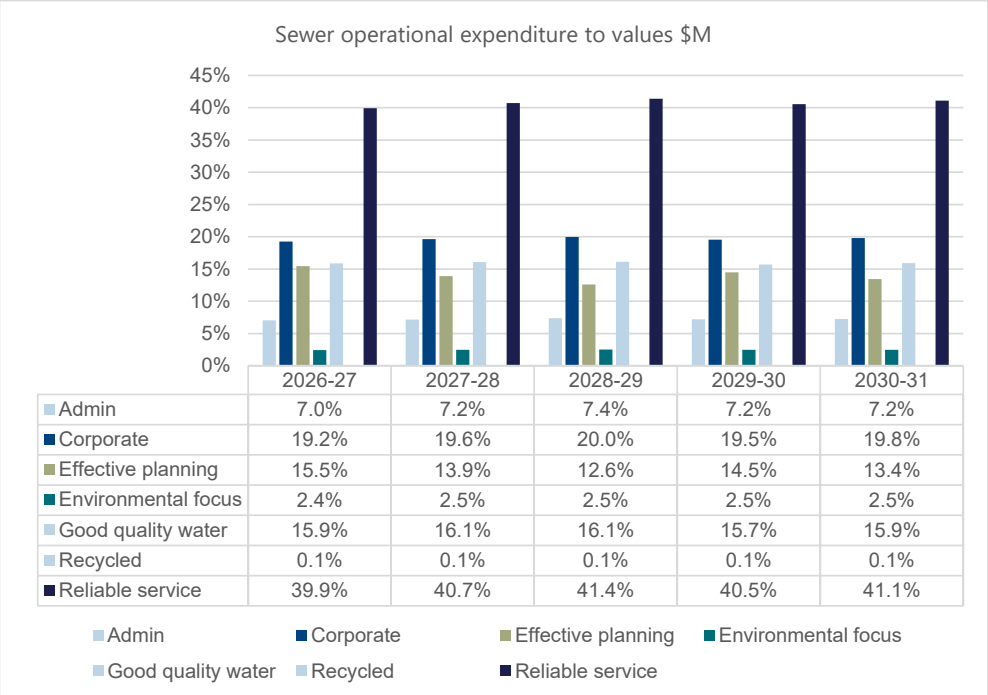
Table 5: Proposed operational expenditure linked to community values $M $2025-26

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



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

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



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

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

6 Summary of anticipated service improvements and future service options

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

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

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

Table 6: Community values

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

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

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

Table 7: Community values linked to outcomes

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

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

Box 2 South group findings

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

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

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

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

Box 3 North group findings

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

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

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

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



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

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

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

6.1 Customer values

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

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

6.2 Essential costs

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

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

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

6.3 Optional programs

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

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

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

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

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

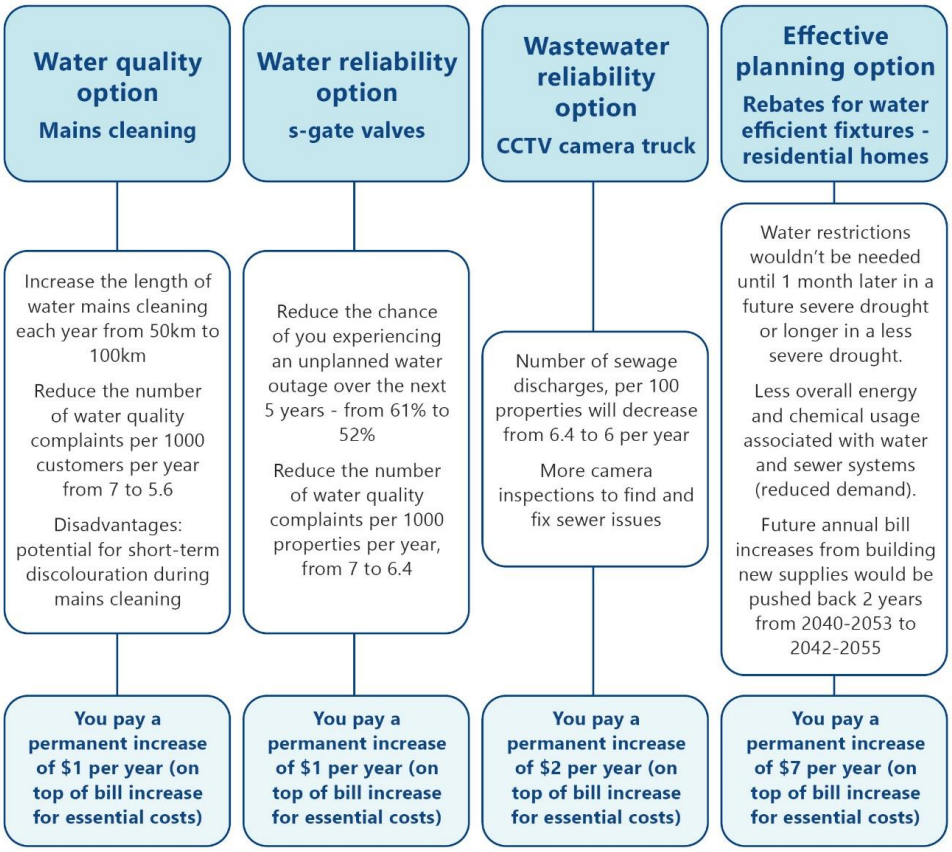


Figure 8: Survey options and bill impacts

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

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

6.4 Engagement results

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

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

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

6.4.1 Water quality option - outcome

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

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

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

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

6.4.2 Water reliability option - outcome



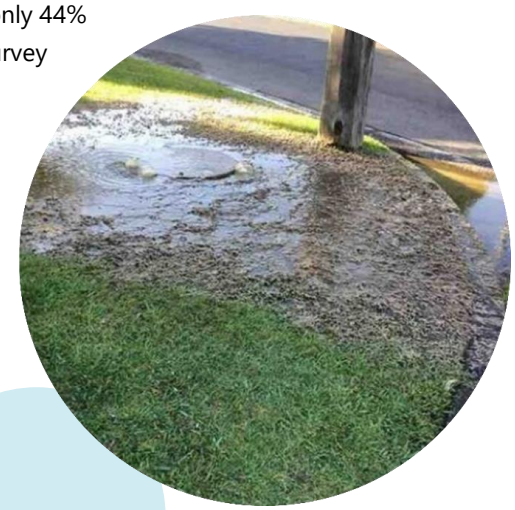
The mixed results from the forums and survey did not present a clear direction for Council for S-Gate Valves. Although the evidence from the survey is that this project is likely to deliver a net benefit to the community, the concerns expressed by the client sample and forum participants would need to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

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

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

6.4.3 Wastewater reliability - outcome

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



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

6.4.4 Effective planning option - outcome

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

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

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

7 Self-assessment against IPART's 12 principles

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

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

Table 8: Self-assessment against IPART Grading Rubric

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	• Two 'deep dive' groups on the Customer Charter with 16 residential and business customers from the forums. • 92 individual customers took part in the Phase 2 engagement across all components (residential and business customers). • The group and in-depth interviews for Phase 1 and 2 were conducted online using Zoom. • Engagement activities included targeted telephone surveys, online surveys, face-to-face meetings with two groups from our top 100 water consumers, 20 hours of engagement across four sessions at both Wyong and Gosford, and pop-up sessions. ***Phase 3 - July 2024*** The engagement program was designed to be true to IPART's 3Cs model and achieve the following objectives for Council: • Understanding who the community is. • Understand what matters to the customers. • Understand community values and desired outcomes. • Create investment strategies to achieve these outcomes. • Identify customer insights and link these to service improvements. High-level objectives of the engagement program were to: • Develop relationships with customers and community through face-to-face engagement, co-design, and overall community presence. • Educate customers and the community on water and sewer-related services and assets. • Gather community input to help understand and prioritize customer values and desired outcomes. • Identify community engagement and communication preferences. • Gather feedback to help form and support the 2026 – 2031 pricing submission to IPART. • Assist in establishing a database of customers and community members interested in participating in future engagement opportunities. • Build trust through transparent communication and quality authentic consultation. Further, the engagement program also sought to gather feedback on the following topics:

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

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

Principle 3 Customer outcomes	
Guiding question	*How well does your pricing proposal link customer preferences to proposed outcomes, service levels and projects?*
Self-assessment grade: **Standard**	• Customers drive outcomes that are linked to expenditure in both short- and long-term investment plans. • Expenditure is directly related to outcomes, as identified in this technical paper outlining expenditure profiles linked to values. • Performance measures are in place to support these outcomes, with performance targets reflecting community opinion. This highlights the importance of meeting targets and engaging in benchmarking activities. Willingness to pay scenarios demonstrate how increased expenditure can lead to better performance. • Accountability for customer outcomes is emphasised, with a focus on updating the community on performance metrics that matter most to them. • Information is readily accessible and easy to find.

Customers drive outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Propose outcomes, based on customer engagement, that capture what customers want you to deliver. • Link proposed expenditure to these outcomes	The engagement program over the last three years has focused on the following: Identifying what the community values in relation to water and sewer services and what the community wants Council to prioritise: • Good quality water • Reliable services • Affordability • Effective planning • Environmental planning • Transparency. Council have established renewed performance targets that have been informed by our customer engagement programs.

	Managing response times effectively, linking to the Water and Sewer Customer Charter and will engage early in 2026 to achieve better clarity on response times for reactive works. Council has engaged with the community on the Masterplan- especially focusing on unserviced properties. Customer insights helped to inform the implementation of the Central Coast Water Security Plan - making investment decisions to secure water and sewer services for the future. Feedback from our community has been incorporated into our expenditure forecast for the 2026-2031 pricing period. Council's *Accountability Strategy* will ensure that delivery on our commitments will be available to our community, so that they can track our performance in these priority areas.
Performance measures support outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Propose performance measures for each outcome. • Propose performance targets for each measure, referencing IPART's principles, with: ○ Internally consistent short-medium- and long-term targets ○ Targets justified based on past performance and other suitable industry benchmarks. ○ (Targets that, at a minimum, meet customer (*protection operating licence – not applicable as Council does not have an operating licence*) standards and other regulatory requirements.	Service levels will gauge the effectiveness of Council's investments and be included in Council's Accountability Strategy. The performance measures that will monitor Council's effectiveness will focus on: **Reliable service** - Average duration of unplanned outages - no target set by community agreed performance needed to improve. Average duration since July 2024 is 2.9 hours. **Reliable service** - Number of unplanned outages per 1,000 properties participants satisfied with existing target of 115. **Reliable service** - Number of water main breaks and bursts per 100 km main - no target set by community agreed performance needed to improve. Target to remain at 14 **Reliable service** - Number of sewer main breaks and chokes per 100 km main - no target set by community agreed performance needed to improve. Target to remain at 30 **Water quality** -Number of water quality complaints - no target set but community agreed performance needed to improve. Council is proposing a new target of 5 that reflects the outcomes of the Future Service Options forums. **Education and Transparency** – Continue to deliver education activities linked to service levels particularly sewer overflows. The existing program has successfully reduced the number of foreign objects in the network that cause sewage overflows. Council will continue to deliver information to the community regarding performance and delivery.

	Environment - Continue to deliver against all environmental regulations.
Accountability for customer outcomes	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Clear mechanisms ensure the business is accountable for delivering outcomes.	Council currently provides the community with a Quarterly Performance Report, Annual Performance Report, bi-annual Delivery Plan and has developed an Accountability Strategy that provides guidance on how we will achieve improved accountability to our customers and community. Enhancement of our current reporting systems reporting internally will play a crucial role in Council's transformation towards greater accountability. The objective is to enable enhanced customer experiences through tools such as mobile apps, self-service portals, and interactive service tracking systems. Creating appropriate customer feedback loops through regular surveys and our People's Panel as well as better digital engagement platforms. The focus is building robust systems for data collection, analysis, and reporting. It involves identifying key performance indicators (KPIs) that align with IPART 3Cs model and customer and community outcomes. This renewed accountability mechanism will improve transparency by proactively sharing accurate and relevant information. It will include. • outputs related to sustainability and environment. • customer satisfaction metrics, • expenditure linked to outcomes, • Efficiencies achieved. Council will continue to seek feedback from our customers around their satisfaction levels on how we demonstrate our accountability and will adapt our reporting mechanisms accordingly. https://www.centralcoast.nsw.gov.au/residents/water-and-sewer/about-water-and-sewer-services/water-and-sewer-performance-reports-and-delivery-plan.
Principle 4 Community	
Guiding question	*Are you engaging with and considering the broader community to understand their objectives, including traditional custodians of the land and water, while ensuring services are cost-reflective and affordable today and into the future?*

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

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

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

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

	feedback form the community in relation to customer priorities, ensure understanding of bill impacts for essential costs to inform customers for preference with optional items. It also helped identify customer preferences for optional on water quality, reliability, and effective planning options. The Two community forums took place. The engagement included: • 14% represented by 18-34 years • 31% represented by 35-49 years • 38% represented by 50-69 years • 15% represented by 70+ • 48% male • 51% female • 8% CALD. Income was evenly spread across the members with on average on between $78,000 to $156,000 and above. Nine people were on <$41,600 p.a. 70+ 15% Male 48% Female 51% CALD 8% First nations 4% Disability 5% Financial hardship 21% Business owner 21% The Council also engaged with our community regarding preference for pricing and how they should be implemented. The majority requested that the tariffs be a step and remain flat (other than CPI) to provide bill certainty. Additionally, the tariffs should allow for more control over bills by including a higher water usage charge.

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

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

[5] Council currently reuses all of our biosolids

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

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

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

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

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

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

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

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

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

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

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

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

Principle 9 Commitment to improve value	
Guiding question	*How much ambition do you show in your cost efficiency targets and what steps have you taken to demonstrate commitment to deliver on your promises?*
Self-assessment grade: **Standard**	**Develop cost efficiency strategy** A Cost Efficiency Strategy has been developed using a 0.7% efficiency factor. **Accountability for cost efficiency outcomes** Performance against the efficiency target will be reported annually with inclusion of progress against defined activities.

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

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

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

Propose cost-reflective prices	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Propose cost-reflective maximum prices for customers, with: • Modelling to justify tariffs over the next determination period • A balance of fixed and usage charges that takes into account the long run marginal cost (LRMC) of providing services.	Council performed four tariff modelling scenarios for its proposal to recoup the required revenue requirements. It used the following inputs: • Long Run Marginal Cost (LRMC) for setting the water usage charge • Water demand forecasts to determine the forecast water sales • Forecast billable connections to determine the spread of the water and sewer service charge • Exempt properties to determine those properties exempt for service charges • Pensioner rebate concessions to determine revenue for funding rebates • Deemed sewer usage of 125kL for a house and 80kL for an apartment for determining the revenue from sewer usage • Discharge factors for non-residential billable connections to determine the sewer discharged form residential properties to forecast revenue. Council presented the scenarios to the community for a preferred model - refer Technical Paper 8 Pricing water and sewer services.
Justify within-period revenue adjustments	
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
Provides a robust justification for any revenue adjustments, consistent with IPART's revenue hierarchy principles.	Council at this stage is not proposing any within period revenue adjustments. The biggest driver of a within-period adjustment would be related to changes in regulatory requirements or any market shift that may change the cost of debt during the period.

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

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

	• Review alignment to strategic business plans and corporate operational and delivery plans • Enhance the current Accountability Strategy to include reporting against efficiencies, expenditure, and performance against community values. • Review benefits realisation and ensure that proposed benefits are tangible. • Monitor endorsed submissions against monthly cashflow and planned milestones. • Review and mitigate any deliverability risks or performance issues. • The proposal includes Quality Assurance certification that certifies the accuracy and consistency of data. • The proposal the has been approved in accordance with the governance arrangements established by Council resolution and consistent with the Local Government Act 1993.
Principle 12 Continual improvement	
Guiding question	***Does the proposal identify shortcomings and areas for future improvement***
Self-assessment grade: **Standard**	Council has delivered many new processes and strategies over the current determination period and will continue these external facing commitments. 1. Delivery Plan – central to Council's strategy to deliver on our promises made under Council's four-year Independent Pricing and Regulatory Tribunal (IPART) Determination. This plan reports progress bi-annually and focuses on three key areas: accountability, community engagement and asset management. 2. Annual Performance Report offers a yearly overview on water and sewer service and business metrics. This report for 2023-24 evaluates performance across water quality, effective planning, reliable services, environmental focus, quality treatment and affordability. The report allows customers to monitor long-term trends and observe Council's ongoing accountability. 3. Customer Charter - has been informed through Council's targeted engagement with the community, 'Improving your water and sewer services'. The Charter outlines our standards of service and mutual responsibilities between Council and our customers as defined by our newly customer-defined water and sewer values. 4. Complaints Management Framework – places the customer at the centre of water and sewer services.
Expectations under IPART's framework	**Council's evidence to support self-assessment grade**
• Justified self-assessment • Performance targets have been monitored and communicated to customers over the previous	Council has completed the self-assessment and rated itself as **Standard.** The proposal has been approved in accordance with IPART's attestation requirements.

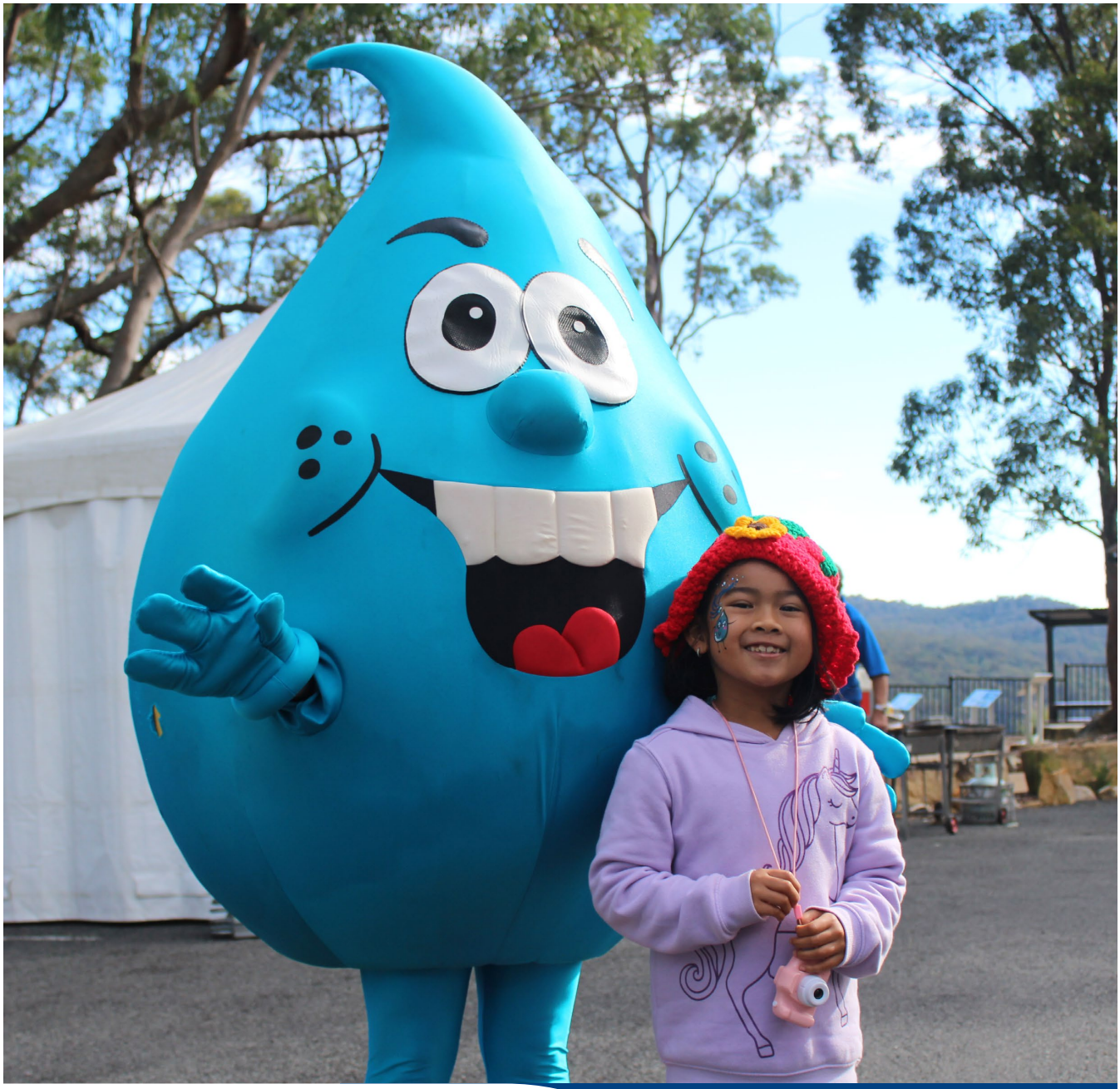
period, consistent with past regulatory proposals. • You have justified and explained past performance to customers. • Demonstrates how experience and lessons from past determination period/s have been integrated into current and future/long-term strategies, where gaps remain, and how future plans will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

Central Coast Council | Water and Sewer

Technical Paper 11

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September 2025



Central Coast Council

Water and Sewer Community Engagement and Education Approach

2025

Central Coast Council | Water and Sewer

love water use it wisely

Acknowledgement of Country

We acknowledge the Traditional Custodians of the land on which we live, work and play.

We pay our respects to Darkinjung country, and Elders past and present.

We recognise the continued connection to these lands and waterways and extend this acknowledgement to the homelands and stories of those who also call this place home.

We recognise our future leaders and the shared responsibility to care for and protect our place and people.

Our Vision

To be a trusted service provider for the Central Coast community and place our customers at the centre of everything we do.

Our Purpose

To provide water and sewer services that preserve our environment and maintain the livability and health of the Central Coast community.



Director's Message

Welcome to Central Coast Council's Water and Sewer Community Engagement and Education Approach. This approach shares how Water and Sewer will engage, communicate, educate, and continue to improve its services, while building trust with customers and the community.

This approach outlines the different ways Water and Sewer will listen, talk, and communicate with its customers across the delivery of services, and making important decisions that may affect you, your environment or your water and sewer services.

This approach aligns and complements Council's broader Community Engagement Strategy and is consistent with our commitment to be transparent and accountable to the Central Coast community. It ensures that you, Council's customers, continue to be at the centre of everything we do to deliver on today's water and sewer needs and prepare for the future.

With a focus on your values, Water and Sewer has created this approach following an extensive community engagement program. Thank you to the community members who helped inform this research.

I encourage you to continue to have your say about water and sewer services and stay connected to receive Council's updates about the delivery of its service commitments.

Jamie Loader
Director Water and Sewer





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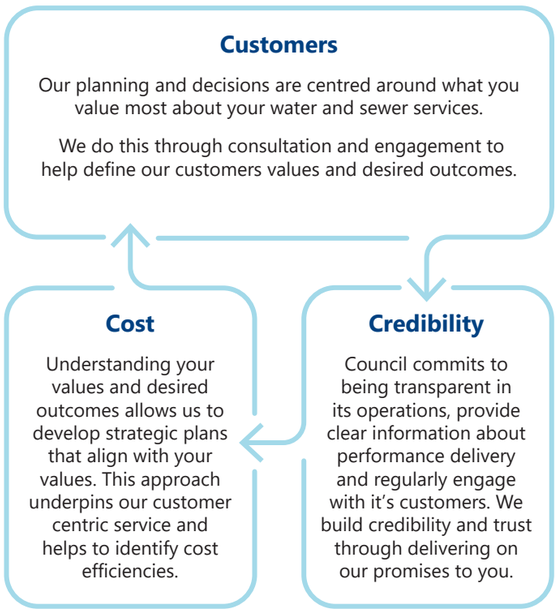
About us

Central Coast Council Water and Sewer is the local water utility for the Central Coast region. We service the entire local government area, supporting a population of approximately 360,000 people and delivering essential services to more than 140,000 homes and businesses. Our key responsibilities include:

- **Harvesting raw water** – collecting water from natural catchments and storing it securely.
- **Providing safe drinking water** - treating water to adhere to the Australian Drinking Water Guidelines and delivering it to our customers.
- **Collecting and treating sewage** - managing the collection and transport of sewage, treating it effectively and discharging it in accordance with environmental licensing.
- **Recycling treated water** – tertiary treatment of sewage to create recycled water for non-drinking purposes.

Our guiding principles

Central Coast Council Water and Sewer is regulated by the Independent Pricing and Regulatory Tribunal (IPART). IPART sets maximum prices for Council's water and sewer services. Our planning is guided by a customer centric, cost effective approach that builds credibility and trust within the community. This aligns with IPART's 3Cs Model: Customer, Cost and Credibility. Learn more about IPART at **ipart.nsw.gov.au**



Introduction

Our vision for the future

This approach outlines how we will engage, communicate, educate, and continue to build trust with our customers and community through genuine engagement, transparency, and accountability. This document forms part of an informed and strategic suite of documents that are designed to keep our residents educated and updated on our performance, projects and developments, and ensuring our customers are empowered to get the most out of their water and sewer services.

Documents that support this approach include your Water and Sewer Customer Charter, Complaints Management Framework, Community Strategic Plan and Central Coast Council's Community Engagement Strategy. We are further committed to transparency with our customers by delivering Quarterly Performance Reports available to the public.

How we developed this approach



One Central Coast

The Community Strategic Plan (CSP) represents the highest level of strategic planning undertaken by Council and identifies the main priorities and aspirations of the Central Coast Community. It is a 10-year plan that covers all aspects of our lives including jobs, infrastructure, transport, community, culture, healthcare, the environment and more. Council's Community Strategic Plan has five key themes that were integral in the development of this document which are:



To learn more search **'Community Strategic Plan'** at **centralcoast.nsw.gov.au**

Setting the scene

What is community engagement?

Engaging with our community means actively involving them in meaningful dialogue and collaboration. The process commences with the delivery of information to our customers and community with the aim to seek and incorporate informed feedback to ensure we reach the best possible outcomes. This approach outlines the different ways we will talk and listen to you before we make important decisions that may affect you, your environment or your water and sewer services.

Helping you when it matters most

We provide a variety of assistance programs to support customers who may be experiencing vulnerability and financial hardship. We sought your feedback to ensure that this policy provides a consistent and fair approach when assessing rebate applications and supporting financially vulnerable customers, while maintaining the sustainability of Council's water and sewer services.

To learn more about our customer assistance programs search **'rebates and hardship assistance'** at **centralcoast.nsw.gov.au**

Understanding shared rights and responsibilities

This approach complements your Water and Sewer Customer Charter. The Charter acts as a mutual agreement that defines the roles and responsibilities between Central Coast Council and our customers.

To make certain decisions are made in the best interests of the entire community, our service issue escalation and response process prioritises the most urgent and important service issues.

To learn more about shared rights and responsibilities and our customer charter search **'customer charter'** at **centralcoast.nsw.gov.au**



What can you provide feedback on?

Central Coast Council Water and Sewer is a regulated business so there are things that community feedback cannot influence such as legislation and regulatory compliance. However, other important areas can be influenced by your feedback to help ensure that we make decisions in the best interests of our broader community. For example, our customer values provide us with clear direction on future investments. This means the amount of money that we spend on our maintenance and infrastructure can be targeted to the water and sewer services our community value most.

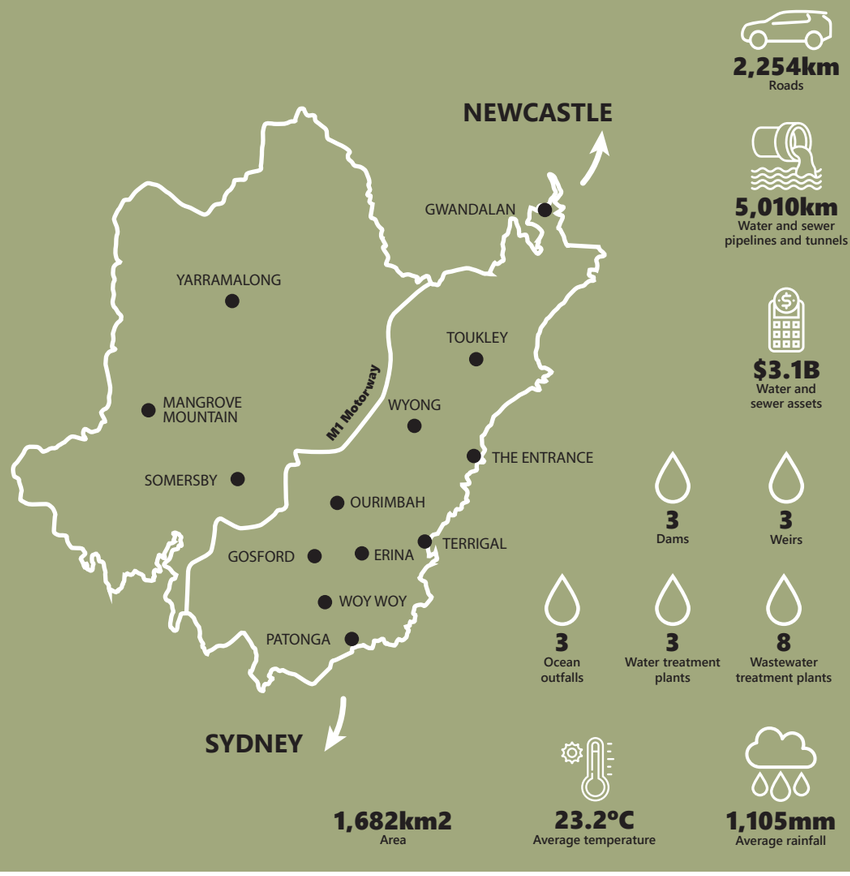
We will engage with our customers and community when and where it matters most to ensure our community is involved in important decisions. We will continue to consult with you on:



Our customers and community

Central Coast Council Water and Sewer is a major water utility with over with approximately 145,000 connected customers. This means we have a broad customer base that includes residents, businesses, hospitals, schools, universities, community groups and more. While not everyone in our community pays for our services directly, we all interact in the same environment and are impacted by the decisions we make. We are committed to working closely with our customers and community to make decisions in the best interests of our whole community.

Our climate and infrastructure



2,254km Roads

5,010km Water and sewer pipelines and tunnels

$3.1B Water and sewer assets

3 Dams

3 Weirs

3 Ocean outfalls

3 Water treatment plants

8 Wastewater treatment plants

1,682km2 Area

23.2°C Average temperature

1,105mm Average rainfall

Our community

360,344 Population

139,392 Residential customers

5,367 Comercial customers

95.3% Employed population

4.9% Aboriginal or Torres Strait Islander

17.9% University educated

30.9% TAFE educated

9.6% Speak other languages at home

16% Born overseas

5.6% Babies and pre-schoolers (0 – 4)

16% School years (5 – 19)

18.6% Tertiary education and young workforce (20 – 34)

12.9% Parents and homebuilders (35 – 49)

18.3% Older workers and pre-retirees (50 – 59)

12.4% Empty nesters and retirees (60 – 69)

13.2% Seniors (70-84)

3% Elderly (85+)

Our customers

Household customers

Culturally and linguistically diverse customers

First Nations customers

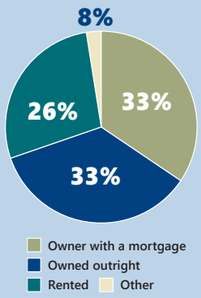
Vulnerable customers

Non-residential customers

Customers living close to our assets

Our homes

152,702 Number of dwellings



76.4% Separate house

18.1% Townhouse, duplex and semi-detached

4.5% Flats, units, apartments

1% Other

Household size

27.2%

14.9%

6.1%

34.3%

14.5%

3%

What matters to you

We've shaped our customer values and outcomes based on continuous feedback from our customers and community. These are now embedded within our work plans and strategic objectives. They guide our decision-making, from every day operations to major investment choices, and will continue to evolve over time to help refine our strategic direction and ensure we deliver lasting value.

Here's what you said you valued most about your water supply and sewer services

Good quality water

Clean, clear, safe drinking water that tastes and smells good and is tested and monitored regularly.

Quality treatment

Minimising odour and health impacts on customers and workers and releasing high quality effluent to the ocean.

Reliable service

Well maintained network with minimal leaks and breakages with fast response times to faults and issues.

Affordable

Cost efficient, consistent, and good value for money with fair allocation of costs between customers.

Effective planning

Using the latest technology, water sources and long-term planning to ensure future supply demands can be met and are resilient to climate change.

Environmental focus

Protecting our catchments, oceans and marine life and utilising renewable energy to power our assets.

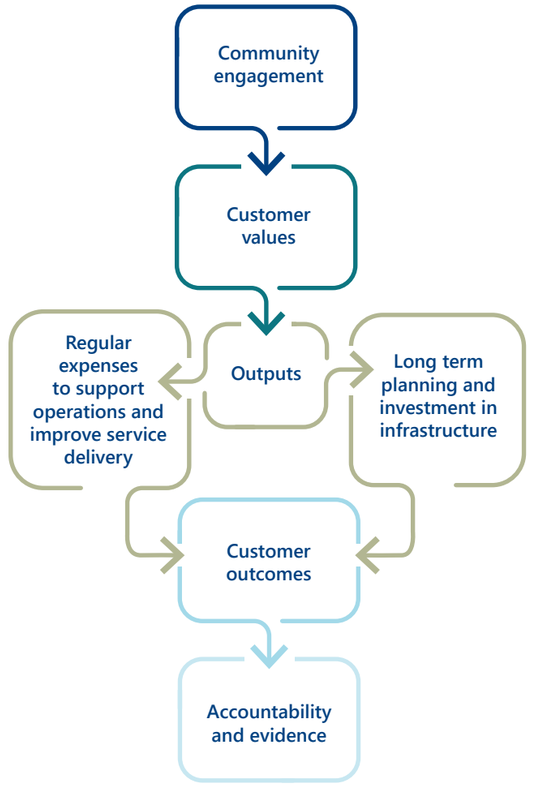
Transparency and education

Providing clear, easy to understand information and good communication and raising community awareness about our water supply, water conservation and what is safe to flush down the toilet.

Influencing outcomes

Central Coast Council Water and Sewer recognise that community feedback plays a vital role in influencing our decision making. By incorporating your values into our daily operations, we aim to deliver customer outcomes that reflect the priorities of our broader community. For example, insights from our customer values can help guide day to day spending and future investment decisions. This ensures that funding for maintenance and infrastructure is directed toward the water and sewer services that matter most to our community.

How your values and outcomes influence our services



Putting our customers first

We're committed to listening and working together with our community. We believe that when decisions affect you, your voice should be part of the conversation. Our approach to engagement is guided by values of fairness, inclusion, and respect, and it's closely connected to how we aim to deliver great customer experiences. We're here to make sure everyone has the chance to be involved and heard.

Our engagement principles

1. Respect and transparency

- Consult with you when possible and use the information gathered in a meaningful way.
- Respect your time and listen to you.
- Engage at a level that is appropriate to the possibility to influence.
- Share the responsibility, building trust with transparency.

2. Access and inclusion

- Seek a diversity of views and perspectives.
- Provide feedback to you as to how your input contributed to decision-making.
- Endeavour to identify and remove barriers to participation.
- Use a range of opportunities and techniques to encourage participation, and increase engagement.
- Have an awareness and understanding for all who may be affected by or interested in the outcome.
- Work in partnership with relevant community groups, State and Federal Government, Local Government partners, and / or other stakeholders internally within Council.

3. Clarity

- Facilitate genuine and open dialogue with the community.
- Clearly communicate the intention, scope, and outcomes of the consultation.
- Use plain language and avoid jargon to provide clear explanations.
- Make information available in accessible formats.

4. Accountability and improvement

- Seek to maintain consistent standards and levels of quality.
- Share results internally and work together to avoid duplication and 'over consultation'.
- Evaluate engagement efforts and consistently seek to learn and improve practice.
- Loop back to our customers on the outcomes and actions that resulted from the engagement.
- Ensure statistical validity of engagement by using a variety of engagement methods, large sample sizes, and minimising bias via engagement design and avoiding leading questions.

5. Capacity

- We will build the community's capacity to contribute, by educating and empowering both the community and staff so that they may participate in meaningful, two-way collaboration.



Our approach

Our Community Engagement approach aligns with Council's Community Engagement Strategy and more broadly the International Association for Public Participation (IAP2) Spectrum of Participation. The spectrum shows how the range and input of community involvement varies depending on the goals, time frames, resources, and impacts of a project. Council takes an active approach and goes beyond this spectrum by providing thorough education prior to engagement activities to ensure our participants are uplifted to make an appropriate decision and engage meaningfully.

Spectrum of public participation

INCREASING IMPACT OF THE DECISION

	Inform	Educate	Consult	Involve	Collaborate	Empower
PURPOSE						
GOAL	To provide the community with information to assist their understanding of the issue, problem, opportunities, or solutions.	To provide the community with the knowledge and skills to enable them to make an informed decision.	To obtain feedback and information about attitudes, opinions and preferences that assist Council in its decision-making processes.	To work on an ongoing basis with the community to ensure their concerns, ideas and hopes are listened to and understood.	To partner with the community in each aspect of the decision, including the development of alternatives, sharing of resources, and the discovery of the preferred solution.	To place final decision-making in the hands of the stakeholders.
COMMITMENT	We will keep you informed.	We will equip you with a new, shared understanding of the issue and build your capacity so you can provide meaningful input and feedback.	We will listen to and acknowledge your concerns and hopes and provide feedback on if or how your input influenced the decision.	The community will have a role in shaping the project, and input into decisions, which will be visible throughout the process.	We will look to you for advice and innovation in formulating solutions and incorporate this into the decisions to the maximum extent possible.	We will implement what you decide.

Working together

Who are our customers and community?

At Central Coast Council Water and Sewer, we define our customers as those who use our core services. Our community includes everyone living in the areas where we operate. While not all community members are direct customers, many are impacted by our services or have a stake in the decisions we make. We are committed to working in partnership with our customers and community - listening, engaging, and building relationships based on trust, transparency, and shared understanding. Together, we can shape a sustainable and resilient future for the Central Coast. To ensure characteristics of best practice customer research and engagement Council is committed to understanding their customers and community.



Ensuring inclusion

Inclusivity and Representation

- Utilising census data to determine diversity amongst our customers.
- Engaging a diverse cross-section of customers.
- Creation of water and sewer customer profiles to gain insights into emerging communities, growth areas, and infrastructure.
- Using demographic data to ensure representation across age, income, location, background, and service usage.
- Analyse customer data to determine usage patterns, complaints, and feedback.

Accessibility

- Offer multiple channels for engagement such as online surveys, community forums, pop-up events, and phone interviews.
- Providing visual representations and multimodal materials where needed.
- Offer appropriate mixed timing for engagement activities including time of day, weekends and holiday periods.

Validate with Community Partners

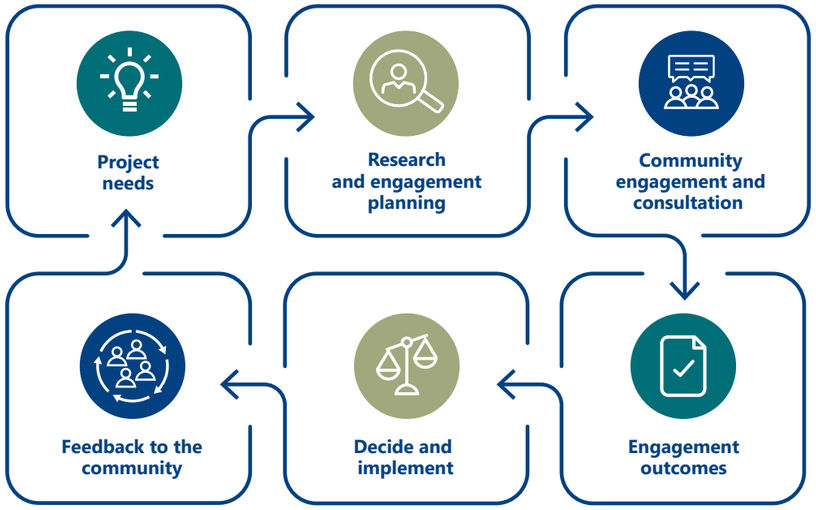
Work with:

- Non-government organisations (NGOs) and advocacy groups.
- Aboriginal Land Councils.
- Multicultural service organisations.
- Government agencies.



How we engage with you

This Approach guides the way engagement is planned and undertaken at Central Coast Council within Water and Sewer. Planning for engagement considers a range of factors including the stakeholders impacted by the project, the impact the project will have on the environment, and the level of interest and significance to the community.





Our engagement channels

Broad communications
- Community newsletters - print and digital.
- Social platforms.
- Radio.
- Television.
- Signage.
- Newsletters.

Deliberative forums
- In person and online.
- Spread throughout the Central Coast.
- Water security plan.
- Improving Your Water and Sewer services.

Events
- Attendance at Council run community events provides an opportunity for direct engagement, feedback and time to 'check in' with our community on behaviours and perceptions around the value of water.
- Shopping centre 'drop-in' events.

Campaigns
- Love Water: A community education campaign that educates our community on the value of water with goal of large scale behaviour change throughout the community.
- Dunny Do's and Dunny Don't's: A community education campaign on what you can and can't flush down the toilet aimed at reducing the number of water main breaks and sewer overflows caused by flushing the incorrect items.

Educational Programs
- Delivered via the Love Water Campaign.
- Tailored educational programs for early childhood, primary and high schools.
- School water audits and Water Savings Action Plans.
- Site tours and experiences

Social media
- Facebook.
- Instagram.
- Twitter.
- LinkedIn.
- YouTube.

Stakeholder forums
- Public forums at Council Meetings .
- Agencies and key stakeholders.
- Water utilities.

Surveys
- Qualitative and quantitative surveys
- Project based surveys.
- Customer experience surveys.
- Your voice surveys.
- Social media polls.

Online
- Your Voice Our Coast - an online hub, where the community can provide real input and direction into the projects and initiatives affecting our area and our region.
- Feedback helps Council shape our community, our region, and our future.

Project based communications
- Community liaison and proactive early engagement to guide our operations, services, and project delivery.
- This focused based engagement involves face-to-face discussions, online engagement and broad community communication.

People's Panel
- A representative group of Central Coast residents who give advice and feedback on Water and Sewer projects and initiatives.
- Serve as a diverse, representative voice for the Central Coast Community.
- Promote trust, accountability and transparency in the decision-making process.
- Provided feedback on Council's Water and Sewer pricing submission.
- Have an online Hub where information and feedback is shared.

Customer and Community Liaison Officers
- Engage stakeholders in capital works projects.
- Communicate with residents and businesses effected by maintenance or system failures.
- Collaborate with business to reduce the impact of planned and unplanned outages.
- Analyse and respond to concerns identified in survey feedback.

Customer journey mapping
- Face to face interviews.
- Co-designing ideation sessions.
- Customer insights and storytelling driving change.
- Creation of present and future customer journey map.

Our journey

August - October 2021

Water Security Plan
Sought to understand our community's values around water, different water supply and demand option types to ensure the Central Coast has a resilient and sustainable water supply now, and for future generations.

March - June 2023

Phases 1 & 2 - Improving your water and sewer services
Residents and businesses shared with Council what they value most about their water and sewer services and how they would like to receive updates on Council's progress in delivering on those values.

May 2023

Liquid Trade Waste Management Policy
Worked alongside our customers to improve the monitoring of liquid trade waste to ensure a safe, clean environment for today and the future.

August 2023

Complaints Management Framework and Customer Charter
Our community co-designed the Water and Sewer Customer Charter and Complaints Management Framework to ensure the services we deliver align with our customers' values.

September 2023

Community Engagement and Education Strategy
Outlines how Council will engage with, communicate, and educate our community on water and sewer matters.

November 2023

Unserviced properties
Sought community feedback from residents and businesses in small urban and rural communities that do not have access to water and/or sewerage services.

Late 2023 - 2024

Smart Water Meters
A trial for our 100 largest non-residential customers had a smart metering device added to their existing analogue water meter to help them better access their water consumption data.

July 2024

Phase 3 - Your water and sewer services
Re-tested our customers' values, sought feedback on performance targets, engagement preferences and billing structure.

April - May 2025

Phase 4 - Future service options
Engaging with our community to ensure we balance improvements in our services with affordability.

August 2025

Phase 5 - Closing the loop
Demonstrates where our customer's input is influencing our IPART Pricing Proposal and our long-term planning.

Fostering understanding

Our informed community

Developing a water-smart community is extremely important to us. A shared understanding of where water comes from, and how to conserve our precious resource benefits us all. The Water and Sewer education team designs and delivers programs to help our community become water and sewer smart. This includes school, business and community education, tours, workshops, incursions, events, and hands-on activities, along with newsletters, media campaigns, and digital content. We engage audiences from early learning to adults, aiming to improve water literacy, promote waterwise and sewer-smart behaviours, increase awareness of Council's role as a water utility, and better understand customer satisfaction with water and sewer services.

Community education learning areas include:

- Increase community understanding of Central Coast Council's role as a local water utility.
- Improve awareness and adoption of water conservation and waterwise practices.
- Build water and sewer literacy within the community and schools.
- Promote behaviour change around appropriate sewer use, particularly what should and shouldn't be flushed or poured down the drain.
- Gather insights into customer satisfaction with their water and sewer services.

Educating our community in the future

To deliver on our promise, a Water Education Plan with clear objectives, timeframes and budget has been developed in conjunction with this Approach. To ensure an inclusive approach to all our customers, education at Central Coast Council Water and Sewer will be governed by the following key focus areas and actions.



FOCUS AREA 1
Build community knowledge through engagement, education, and transparency.

ACTION 1	Deliver a variety of educational programs and campaigns that align with the values of our community.
ACTION 2	Improve engagement, collaboration and understanding through the development of quality water and sewer information resources.
ACTION 3	Strive to improve water literacy on the Central Coast and inform our customers on projects and initiatives outlined in the Water Security Plan.

FOCUS AREA 2
Develop young people to be water smart, future focused, and innovative.

ACTION 1	Deliver educational programs and campaigns to schools and early childhood centres across the Central Coast.
ACTION 2	Facilitate educational opportunities across Central Coast Council's water and sewer assets.
ACTION 3	Inform young people on water conservation best practices and strive to develop school water literacy.

FOCUS AREA 3
Collaborate with First Nations Peoples to improve shared water knowledge.

ACTION 1	Liaise with Council's Aboriginal Advisory Committee to ensure that all collaborations and decision making is targeted and culturally appropriate.
ACTION 2	Engage with Council's Aboriginal Advisory Committee on all decisions affecting First Nations residents to ensure that educational programs and campaigns are community-led.
ACTION 3	Work together with Cultural Leaders and Elders to establish partnerships on traditional water education.

FOCUS AREA 4
Engage and educate businesses and high-water usage non-residential customers so they can be water wise and reduce their impacts on the environment.

ACTION 1	Establish regular contact with businesses and large non-residential customers to understand their preferred communication and engagement channels.
ACTION 2	Provide education to businesses and large non-residential customers on the appropriate disposal of sewage into our sewer network.
ACTION 3	Improve businesses and large non-residential customers resilience to future droughts and population growth.



Measuring the success of engagement

Measuring the success of our engagement efforts is essential in ensuring that community voices help shape decisions around infrastructure upgrades, service disruptions, water conservation initiatives, and future planning. Measuring engagement success is not just about numbers; it is about the quality of relationships we build and the confidence our communities have in the services we provide.

Evaluating engagement allows us to determine whether our strategies are inclusive, transparent, and effective in reaching diverse stakeholders. It helps us understand if our communication is clear, our channels are accessible, and our activities are aligned with both strategic goals and community priorities. Most importantly, it enables us to build trust by showing that feedback is valued, considered, and reflected in outcomes. Here is how we ensure the effectiveness and quality of our customer engagement:

After individual engagement activities

- Assess whether the engagement outcomes aligned with the objectives and principles of this strategy, as well as the specific objectives in our project-based engagement plans.
- Analyse the feedback we received from our customers and determine its relevance.
- Identify emerging themes across stakeholder and customer groups.
- Determine whether our engagement group were informed and educated enough to make a meaningful impact.
- Consider if we need to modify our approach, engagement channels and participation level.

After each phase

- Produce a detailed engagement report that is accessible and easy to understand and share it with our customers through multiple channels.
- Identify that those affected by decisions were reached and given the opportunity to have their say.
- Conduct internal meetings to identify lessons learned and areas for improvement.
- Close the loop with involved customers and provide them with a summary of findings and respond to specific customer queries.

Evaluating success

- Critique our stakeholder mapping strategies by service area mapping and benchmarking to ensure Central Coast demographics were represented in engagement activities.
- Validate findings through triangulation and peer review when needed.
- Analyse quantitative and qualitative feedback we receive from our community.
- View participation numbers and customer appetite for future involvement.
- Identify that all participants were informed and understand the outcome of the engagement activities.
- Regularly liaise with IPART to guarantee our engagement is effective and genuine.
- Review how customer insights were integrated into work plans and communicated to the rest of the business.

Continuous improvement

- The Community Engagement and Education Approach will be continuously reviewed and refined as our expertise evolves, and in response to key developments such as changes in regulatory frameworks, insights from community feedback, the adoption of new engagement methodologies, or shifts in corporate and community priorities. Updates will also be made to align with changes in the Council's strategic plans or in response to local, regional, national, or global events that may affect the delivery of water and sewer services across the Central Coast.
- We are further committed to the development of an Engagement Plan and calendar each year which will be guided by our customer values and engagement principles to ensure a strategic and genuine approach to our future engagement activities.

Central Coast Council | Water and Sewer

love water use it wisely

Follow us on socials

@CentralCoastCouncil @CentralCoastCouncil @CCoastCouncil /central-coast-council

For more information visit

centralcoast.nsw.gov.au
lovewater.centralcoast.nsw.gov.au



Central Coast Council

Water and Sewer Cost Efficiency Strategy

September 2025

Central Coast Council | Water and Sewer

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Executive Summary

Council has provided water and sewer services to the Central Coast community for over 90 years, and today Council continues this legacy by providing water and sewer services to over 350,000 people and more than 150,000 homes and businesses. The service area extends from Summerland Point in the north to Mooney Mooney in the south, east to the Tasman Sea, and west to the border of Wisemans Ferry.

On 1 April 2025, Council's status was removed as a Water Supply Authority under the *Water Management Act 2000*. Water and Sewer services are now legislated under the *Local Government Act 1993* and are regulated by IPART.

Council's vision is to be a trusted service provider for the Central Coast community by placing customers at the centre of all decision-making. To achieve this vision and meet current and future challenges, Council needs to operate efficiently. This is critical to deliver the outcomes Council's customers and community values at the lowest sustainable cost.

Council's water and sewer bills are already among the lowest in NSW, but there are always opportunities to improve. This cost efficiency strategy presents a five-year roadmap to deliver sustained improvements in value for money for the community. It sets an ambitious annual cost savings target, supported by the measures and initiatives Council is putting in place to drive outcomes and ensure transparency and accountability.

This Strategy is part of Council's commitment to transparency, accountability and continuous improvement of water and sewer services. It forms part of Council's 2025 pricing submission to the Independent Pricing & Regulatory Tribunal (IPART).



Introduction

In recent years, Council and the community have faced numerous challenges, from fluctuating climate conditions, the Covid-19 pandemic, and the cost-of-living crisis. Despite these challenges, Council has continued to deliver quality and reliable water and sewer services, as well as trade waste services while ensuring customer bills remain affordable.

As part of the current determination period, it was acknowledged that increased expenditure was necessary to maintain infrastructure and high-quality and reliable services to the community.

To build on the legacy of delivering essential water services to the Central Coast community, Council has developed this Cost Efficiency Strategy. The strategy will ensure that the community get more for less, easing the cost-of-living pressure experienced by customers.

The Delivery Plan 2022-2026 sets a new direction that ensures Council places the community at the centre of all decision-making. It provides a roadmap of how Council will deliver on the promises made and details the key focus areas and the outcomes Council will work to achieve.

Council's key focus areas cover:

- stronger accountability to the community
- ongoing engagement with Council's customers and community to better understand values and priorities,
- improvements to asset and project management framework

As part of Council's commitment to building credibility with its community, the Delivery Plan is regularly reviewed and shared online to make sure Council stays on track to deliver on its commitments.

The Annual performance report evaluates performance across water quality, effective planning, reliable services, environmental focus, quality treatment and affordability. The report offers a yearly overview on water and sewer service metrics and allows customers to monitor long-term trends and observe Council's ongoing accountability.

Cost Efficiency at Council

Review of recent performance and achievements

During the current determination period, Council sought to manage its expenditure within the allowances set by IPART.

Figure 1 shows that at the end of the 4-year determination period, Council expects total operating expenditure (opex) to be broadly in line with IPART's allowance. Council's opex underspend compared to the allowance in 2022-23 and 2023-24 is due to the lagged recovery from the impact of Council's financial crisis where expenditure was limited by resourcing and procurement constraints.

In line with Council's 2022 Transition Strategy, resourcing levels continue to increase over the current determination period to enable Council to deliver the required level of service to the community. Council's Transition Strategy aims to improve planned maintenance activities, the capability of Council's people, and enhance asset systems, monitoring and reporting to the community.

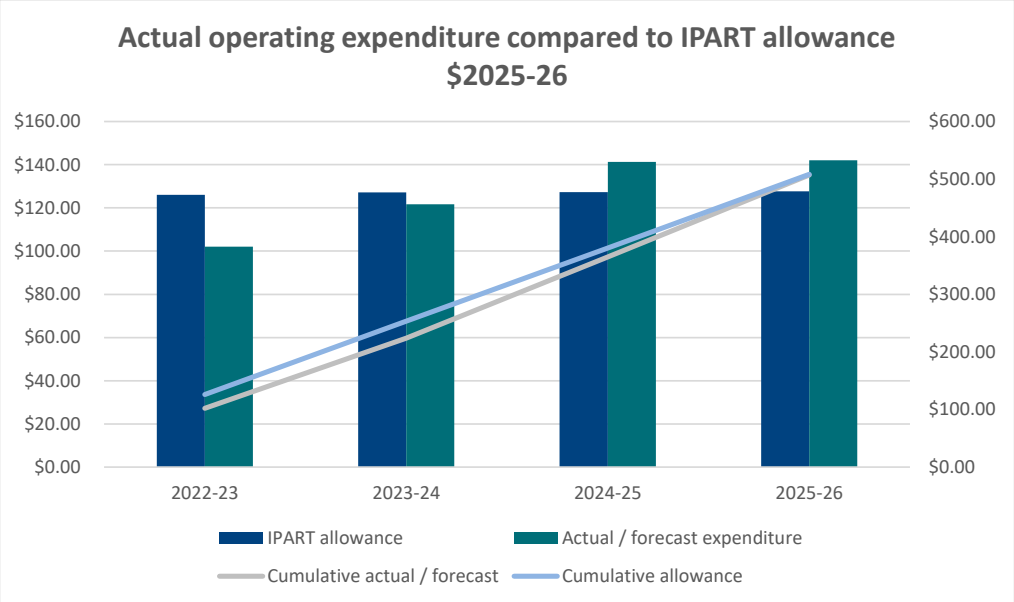


Figure 1: Actual Operating Expenditure compared to IPART Allowance ($'M, $2025-26)

Council's opex in the last two years of the determination period will be higher than IPART's allowance, but nevertheless consistent with an efficient level of expenditure required to deliver services to its customers. This related to an increase in contractors for sludge removal at treatment plants, corporate overheads and plant and fleet costs.

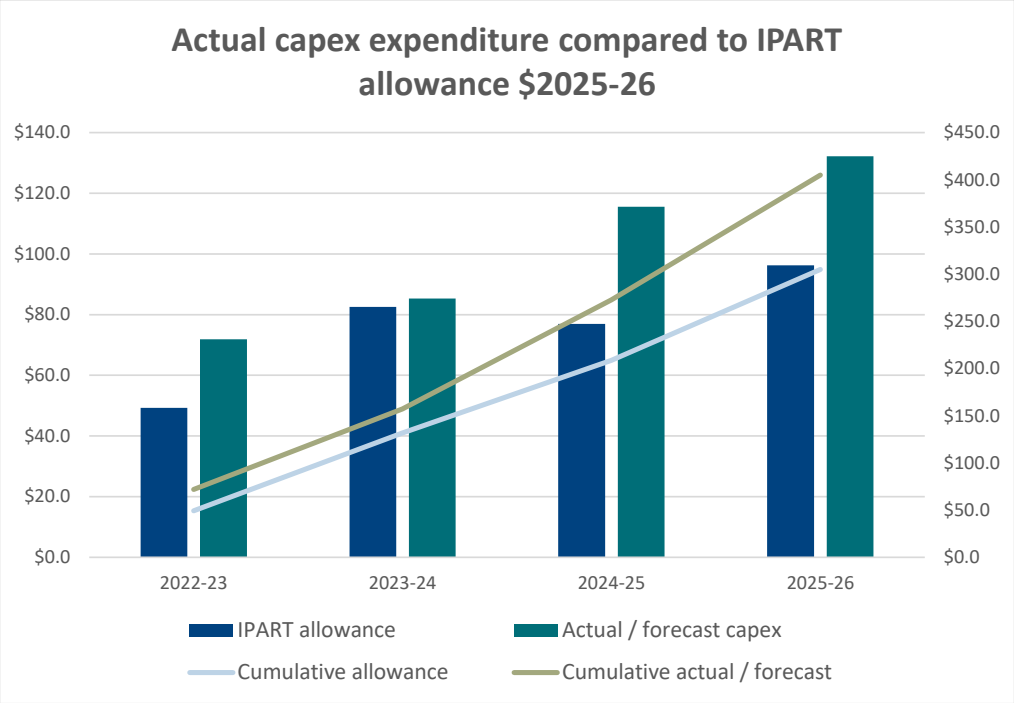


Figure 2 shows Council is projected to exceed IPART's capital expenditure (capex) allowance by around $100M (32.8%) over the current determination period. This variance arises despite Council's ongoing efforts to manage capital costs through efficiency initiatives and value-for-money assessments. The key drivers of this overspend includes:

- Substantial cost escalation within Council's capital program, particularly in relation to the escalation seen across the industry in construction activities, procurement and supply materials and equipment which saw cost increase outpace general inflation.
- Council is forecasting a $19.6M over delivery of Water capital expenditure due to its major Mardi Water Treatment Plant Upgrades. The Design and Construct (D&C) contract sum has increased substantially reflecting the volatility, resource constraints, supply chain uncertainties and significant escalation seen in the market since the Gate 2 Business Case. Additionally, the scope of works has moderately changed to reflect the introduction of staging following IPART's challenge in their previous determination (May 2019-2022).
- Council is forecasting a $80.4M over delivery of Sewer capital expenditure due to increases in construction costs above standardised inflation and the need to increase

expenditure to address poorly performing assets within the network to mitigate risk and ensure service continuity. Key contributors to the over delivery of Sewage expenditure were major Sewage treatment plant upgrades.

- Emergent project needs not foreseen during IPART's 2022 determination, including works required by the NSW Environmental Protection Authority (EPA) under Pollution Reduction Programs or enforcement notices, particularly for aging or poorly performing sewerage infrastructure. Examples of works include the West Gosford Major (WGMJ) Sewer Rising Main (SRM) having 3 breaks in recent years, triggering prosecution from the EPA in 2024. As part of its commitments made during the prosecution process, Council is delivering the renewal of approximately 2.2km of sewer main of $20.47M that has been subject to corrosion following its previous condition assessment.
- $21.4 of the capex allowance overspend is funded by capital contributions, which were used to fund a range of capital projects.

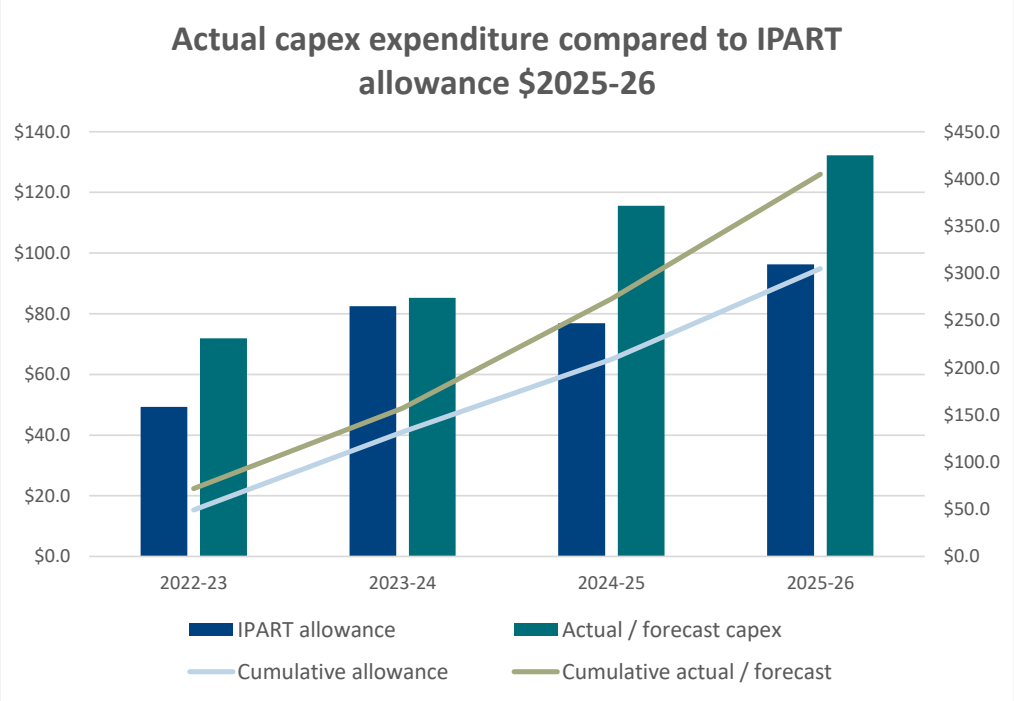


Figure 2: Actual Capital Expenditure compared to IPART Allowance ($'M, $2025-26)

Recent achievements and cost-saving initiatives

Throughout the current determination period, Council's focus has been on improving service delivery to the community while ensuring prudent and efficient use of resources. Opportunities to adopt more innovative approaches have also been actively pursued.

These efforts have resulted in cost savings of approximately $7.62 million per annum ($2025-26), as summarised in Table 1 and discussed further below.

Table 1: Estimated savings from efficiency measures in the current regulatory period ($2025-26)

Initiative	Estimated saving (p.a.)
Procurement & contract management	$4.79M
Sewer pump station and treatment plants	$0.87M
Alarm rationalisation	$0.27M
State government demand response	$1.03M
Sewage Treatment Plant improvements	$0.22M
Value engineering – Mains renewal program	$0.44M
Total	**$7.62M**

Procurement and contract management - $4.79M per annum

The Water and Sewer Directorate has implemented a range of contractor panels to achieve time efficiencies in the tendering, contract approval and award phases, to ensure capital works are delivered using the most efficient strategies available. Several long-term contracts for delivery of capital projects and programs were implemented, negating the need to tender individually for services required on an ongoing basis.

Sewer pump station and treatment plants – standardisation and packaging $0.87M per annum

Over the current determination period, Council has begun standardising specifications across sewer pump stations (SPS). This has improved efficiency across various processes reducing variability, reducing completion times and increased productivity. In addition, Council has implemented contract packaging across multiple sites related to both SPS and Sewage Treatment Plants (STPs).

Alarm rationalisation - $0.27M per annum

This project applied a constant methodology of controlling Council's sewer and water pump stations (SWPS), control valves and reservoirs to reduce the volume of alarms being generated from a single site and develop & implement a consistent Supervisory Control and Data Acquisition (SCADA) template across all assets. This included using SCADA to optimise chemical dosing at sewer pumping stations (SPS) and a chemical dosing unit report that allows for quick and easy access to 35 sites enabling real time monitoring of chemical storage levels.

NSW Government demand response - $1.03M per annum

This NSW Government initiative allows large business with high energy use to provide firming capacity to supply and demand during grid emergencies or periods of high demand. The Firming Capacity program can provide revenue streams to Council thereby reducing

energy expenditure. Commercial and Industrial energy users are rewarded for being on standby and for reducing their energy usage, when called upon. It involves switching off or "curtailment" of selected loads at six of Council's STPs during periods of high electricity grid demand.

Sewage Treatment Plant improvements - $0.22M per annum

The replacement of diffusers at Bateau Bay Treatment Plant has reduced aeration hours from 22.5 hours per day down to approximately 16 hours per day, resulting in energy savings. The diffuser replacement has improved the performance of the plant and reduced impacts on the environment.

Value engineering – Mains renewal program $0.44M per annum

Council successfully tested new, innovative condition assessment technology for water and sewer pressure pipelines. This technology improves strategic and tactical decision-making for planned renewals and upgrades. In addition, it reduces water outages and decreases environmental and safety risks during pipeline maintenance and repair works. The new assessment technology offers numerous advantages with a focus on customers, cost efficiency and the environment.

The technology sends pulses between existing surface fittings to detect issues in the pipe walls' integrity, all while the water continues to flow within the pipes to our customers. This improves water and sewer service reliability for our community as it is not necessary to always turn off the mains and disrupt water services during larger pipeline assessments. This allowed Council to perform the site works related to condition assessment of these critical sewer mains within a couple of days with minimal environmental impacts. No excavation was needed to physically expose the mains for pipeline scanning as is done with older condition assessment techniques.

How Council's costs compare to other water utilities

Econometric benchmarking is a statistical method that can be used to assess the relative operational cost efficiency of Council compared to other water utilities. Council undertook econometric benchmarking (Stochastic Frontier Analysis) using data from the National Performance Report (NPR) published by the Bureau of Meteorology. The NPR data includes Australian water utilities' pricing, expenditure, service quality and service level and scale.

Council assessed the average efficiency by which utilities achieve their outputs using opex over the 2008-09 to 2023-24 period. Council considered alternative models including with all outputs selected (connections, network length and volume, in addition to the time trend) along with a specification selected via an iterative procedure on the statistical basis of 'goodness of fit' (in all cases this was 'connections' only).

As shown in Table 2, over the past 15 years, Council has exhibited a high efficiency score of 79% on average for water supply and 92% for wastewater. As shown in Table 3, the estimated efficiency score of Council places it in the 85th percentile overall, i.e. in the top 15% of water utilities.

Table 2: Estimated efficiency of CCC using SFA

Estimated efficiency – wastewater			Estimated efficiency – water supply	
Sample	**Connections only**	**All drivers of opex**	**Connections only**	**All drivers of opex**
Major only	95.0%	93.1%	78.3%	74.1%
Large & major	90.1%	88.8%	84.8%	78.8%

Table 3: Estimated efficiency ranks of CCC using SFA

	Estimated efficiency – wastewater	Estimated efficiency – water supply
Sample	**Connections only**	**Connections only**
Major only	85th percentile	89th percentile
Large & major	79th percentile	88th percentile

While the evidence suggests that Council has on average, incurred efficient opex over the 2009-2024 period, a key issue is whether Council's base year opex is efficient. To assess this, Council obtained the benchmarked estimated opex for water and wastewater individually with 75% efficiency in real $2025-26.[1]

The estimated opex for water and wastewater was obtained using the average of the large/major and major only estimates to obtain a final point estimate for water and wastewater opex. Due to the statistical uncertainty of the economic model, Council applied an upper and lower bound to the estimated opex. If Council's actual base opex falls within the upper and lower bound, it would be deemed to be sufficiently efficient. Table 4 below provides the comparison of the estimated opex to Council's actual base opex.

Table 4: Comparison of Council's benchmarked estimated opex to actual base opex ($2025-26, $M)

	Upper bound	Midpoint	Lower bound	Actual base opex
Water	73.3	63.3	54.7	65.4
Wastewater	67.2	64.4	59.2	67.9
Total	**140.5**	**127.8**	**114**	**133.3**

[1] A 0.75 efficiency score benchmark is used by the Australian Energy Regulator for electricity distribution businesses.

The comparison of the estimated efficient opex to the actual base opex indicates that Council's actual base opex for combined water and wastewater falls within the upper and lower bound obtained from benchmarking analysis, suggesting that Council's proposed base opex is deemed efficient. Sewer is marginally above the upper bound, however, customer prices and impact is ultimately based on the total combined opex, therefore, the total opex falling within the benchmarked upper and lower bounds is a key indicator of cost sustainability and efficiency. Thus, it can be concluded that Council's opex has not only been efficient over the 2009-2024 historical period, Council's proposed base opex is adequately efficient to be used towards the next determination period.

The NPR also provides data on a large variety of other indicators, including service quality, bills, and pricing and customer performance. Figure 3 provides the most recent data from 2023-24 that Council's water and wastewater operating costs per property are among the lowest of the 16 major water utilities.



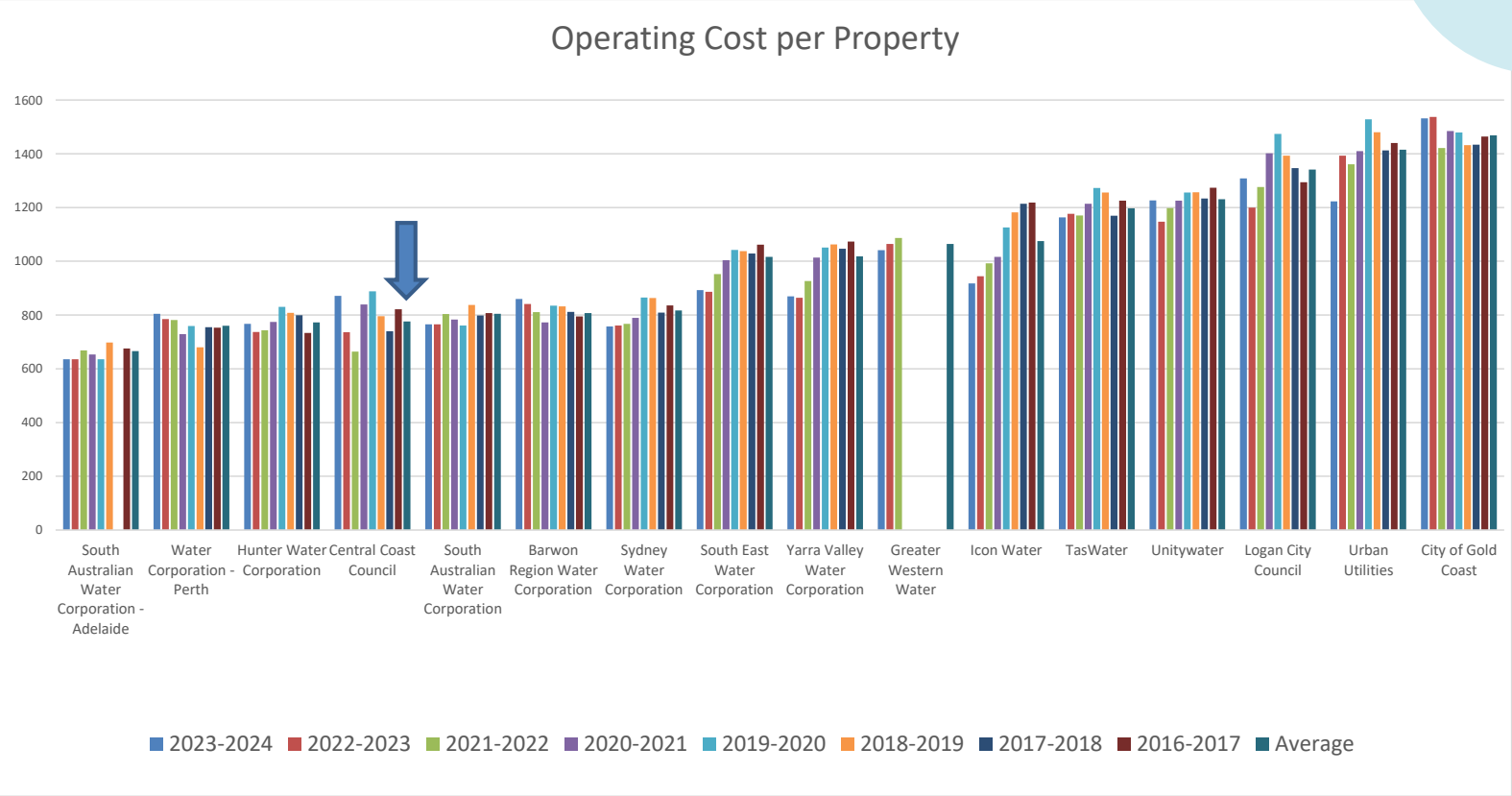


Figure 3: Operating cost per property for major water utilities ($/Property)

Council's cost efficiency target

Productivity growth target for 2027-31

Council has set a cost efficiency target of 0.7% per annum for its forecast operating and capital expenditure over the upcoming determination period. This equates to $31.6M in total cost savings over this period (Table 5).

Table 5: Council's 2027-31 cost efficiency target ($2025-26)

2027-31 (5-year total)	Opex	Capex
0.7% efficiency target	$18.4 million	$13.2 million

Council's target of 0.7% p.a. is compounding, meaning the efficiencies found in one year must be continued in the following years of the determination. Figure 4 and Figure 5 show the 0.7% efficiency target on opex and capex respectively over the upcoming determination period, resulting in $31.6M in savings over the total period.

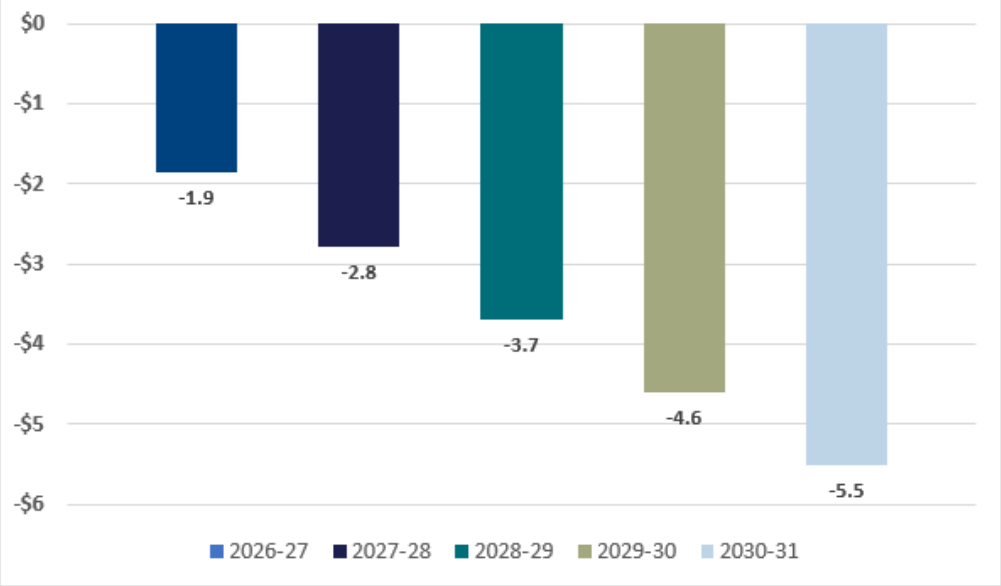


Figure 4: Operating expenditure efficiency target ($M, $2025-26)

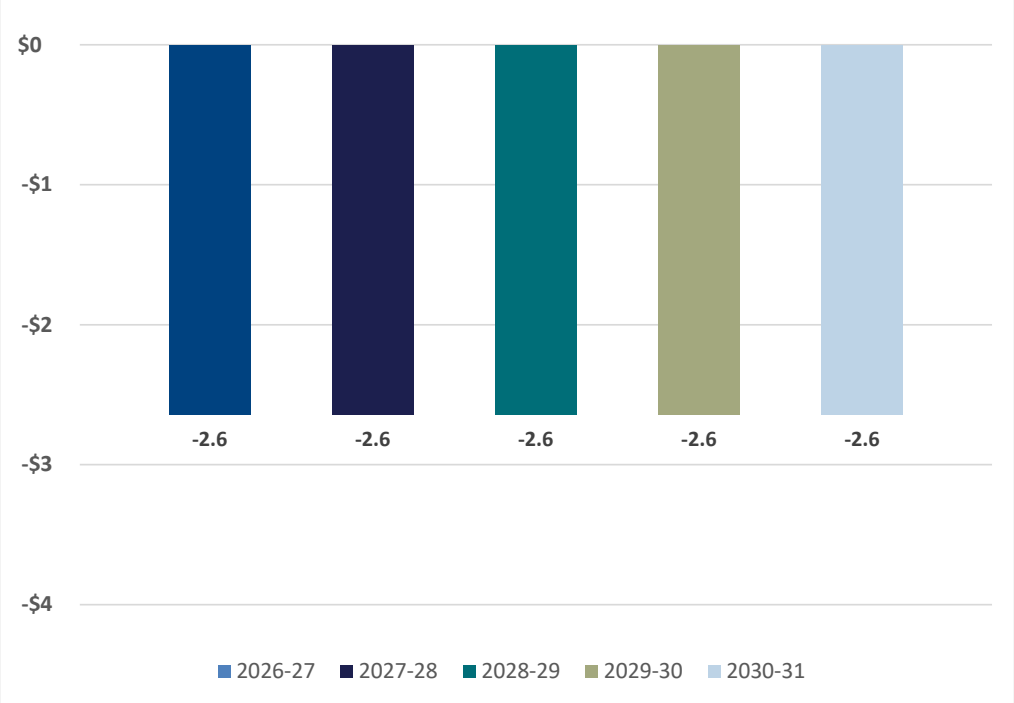


Figure 5: Capital expenditure efficiency target ($M $2025-26)

What Council's target represents

Council's cost efficiency target represents a challenge to improve efficiency over time through technology, innovation, and better work practices. It reflects 'continuing efficiency' (also called 'ongoing efficiency' or 'frontier shift') and means, if achieved, Council would keep pace with the most efficient businesses over time.

Council's target does not include 'catch up' efficiency. This is considered as part of Council's proposed base year expenditure. During the last determination IPART heavily relied on economic benchmarking to set Council's operating expenditure allowance. As noted above, Council considers base year expenditure to be efficient.

How Council set its target

IPART's expectations are that Council sets a realistic, yet challenging cost efficiency target.

In setting the target of 0.7% per annum Council considered:

- the needs of customers
- council's current performance
- an internal assessment of cost efficiency opportunities over the next determination period
- broader productivity performance of the Australian economy
- other regulatory decisions

Council's Customer Values

A critical issue that customers and the community communicated to Council is the cost-of-living crisis and the importance of affordable water and sewer services. This highlights the importance of ensuring Council's investment decisions are prudent and efficient to keep prices as low as possible while maintaining the level of service that the community needs.

Around 30% of households in the Central Coast region are classified 'low income' (gross weekly household income less than $800, 2021 Census). While affordability challenges can affect anyone, it is these households that are the most vulnerable in the community. Council provides financial assistance programs and payment plans to assist vulnerable members of the community

Current Performance

As noted in the benchmarking to other water utilities section, Council's base opex is already broadly efficient. The efficiency target of 0.7% ensures Council continues to move with efficient frontier over time.

Internal Assessment

Council undertook a bottom-up assessment of operational and capital expenditure cost saving initiatives and the estimated value of these opportunities. In doing so, Council was able to determine what was a realistically achievable efficiency target. These initiatives are described in a section below.

Comparing Council's target to other benchmarks

In setting a target of 0.7% p.a. Council has also considered:

- Historical productivity performance in the water services and general market sector of the Australian economy obtained from economic benchmarking and multi-factor productivity reported by the Australian Bureau of Statistics (ABS).
- Comparison to efficiency targets set by a range of economic regulators.

Historical Productivity Performance

Past productivity performance in the economy and the utility sector can provide a guide to future productivity performance and therefore an appropriate efficiency target for Council.

As shown in Table 6, economic benchmarking results indicate that over the past 15 years, relevant water utilities have on average seen a small productivity improvement in wastewater services and a small reduction in productivity in water services.

Table 6: Estimated continuous efficiency using SFA

	Wastewater	Water
Sample	Financial year	Financial year
Major only	0.35%	-0.24%
Large & Major	0.20%	-0.73%

Note: Positive values represent a reduction in opex due to efficiency gain

These results have been compared to data released by the ABS of industry multi-factor productivity (MFP). As shown in Figure 6, over the past 29 years, the 'utility sector' which includes 'water services' along with electricity, gas, and waste, has consistently lagged behind the broader market sector.

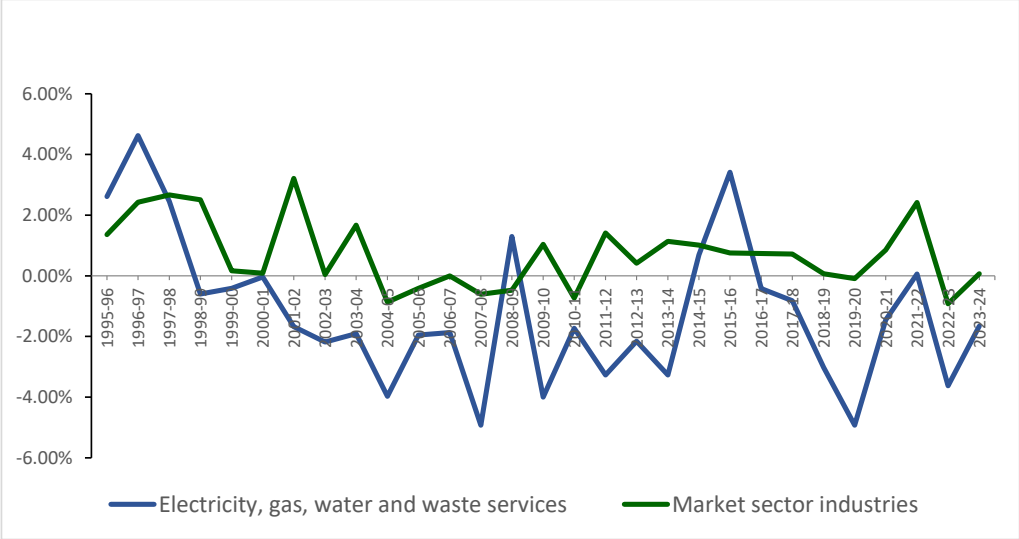


Figure 6: Multi-factor productivity on hours worked basis

Based on Figure 6, the utility sector achieved a long-term average annual change in multi-factor productivity[2] of -1.20%, whereas the market sector of the economy achieved a long-term average annual change of 0.71% respectively (Table 7).

[2] Multi-factor productivity measures how efficiently an industry turns inputs (like labour, capital, and materials) into outputs

Table 7: Multi-factor productivity long-term average annual change in utility sector and market sector

	MFP on hours worked basis
Utility sector	-1.20%
Market sector	0.71%

Despite declining utility sector productivity, Council's 0.7% p.a. target is in line with the long-term average annual change in MFP in the market sector of the Australian economy. Using the broad market sector to inform Council's target is inherently challenging, as the productivity performance of the market sector has been influenced by strong performance by sectors including manufacturing and agriculture, forestry and fishing that have little relevance to water and wastewater.[3]

Other regulator's decisions

Comparing the target of 0.7% to other efficiency targets set by other regulators provides insight into the appropriateness of Council's target. This comparison includes IPART's previous efficiency targets set for other water businesses, as well as targets set for interstate and overseas water businesses and interstate electricity businesses (Table 8).

[3] Productivity Commission (2025), Annual Productivity Bulletin, p 11.

Table 8: Other regulator's decisions on continuing efficiency

Regulator	Industry	Specific to continuing efficiency?	Industries considered	Comment
IPART (0.7% to 0.8% pa compounding)	Water	Yes	Market sector long-term multi-factor productivity based on ABS data	Based on Gross Value Added multi-factor productivity
Essential Services Commission (ESC) Victoria 2023 water price reviews (~ 1% to 2% pa)[4]	Water	No	Up to each business to propose a target	Under PREMO, water businesses may receive a financial reward through the cost of capital, in part due to the size of the efficiency target
Essential Services Commission of South Australia (ESCOSA) 2024 SA Water determination (0.8% p.a. compounding)[5]	Water	Yes	Market sector long-term multi-factor productivity based on ABS data	ESCOSA reference IPART's approach in their final report for SA Water
Australian Energy Regulator (AER) (0.5% p.a. compounding)[6]	Electricity distribution	Yes	Econometric analysis of electricity and gas business productivity	
Energy Regulation Authority Western Australia (ERA WA) (2% p.a. compounding)[7]	Electricity distribution	No	Electricity distribution	ERA's final decision indicates that the 2% includes some catch up efficiency in the base year
Ofwat UK PR24 Frontier Shift (1% p.a. compounding)[8]	Water	Yes	Selected comparator industries (e.g. construction, transportation, chemicals, machinery, manufacturing)	Ofwat's consultant estimates both Gross Output and Value Added measures of productivity
Commerce Commission NZ 0% p.a.[9]	Electricity distribution	Yes	Electricity distribution and selected other industries	

[4] https://www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/water-price-reviews/water-price-review-2023
[5] https://www.escosa.sa.gov.au/ArticleDocuments/22067/20240625-Water-SAWRD24-SAWaterRegulatoryDetermination2024-FinalDetermination-StatementOfReasons.pdf.aspx?Embed=Y
[6] https://www.aer.gov.au/system/files/Opex%20productivity%20growth%20review%202018%20-%20Final%20decision%20-%208%20March%202019.pdf

The table above shows efficiency targets that range from 0% to 2% per annum. However, these targets are not all directly comparable to Council's target. The upper ends of these targets are in jurisdictions where targets are not purely focussed on continuing efficiency – they also include catch up efficiency.

Box 1 summarises the arrangements in Victoria and Western Australia where this is the case.

Box 1: Efficiency targets that include catch up and continuing efficiency

In Victoria, 14 water businesses had price reviews with the ESC in 2023. These businesses generally proposed efficiency targets between 1% to 2% p.a. However, these targets include catch up and continuing efficiency.

The ESC uses the base-step-trend approach to set opex allowances. Specifically, the ESC observes the actual level of opex incurred by the business in the base year (normally the penultimate year of the current regulatory period) and then:

- removes any non-controllable expenditure;
- removes any one-off or non-recurring expenditure items incurred in that year; and
- removes any further ongoing cost savings or efficiency commitments that will be realised in the final year of the current regulatory period

The ESC adopts the resulting adjusted level of actual base year opex as an appropriate starting point from which to forecast opex over the next regulatory period. The ESC does not make any adjustment for catch-up efficiency to the actual base year opex incurred by the business. Rather, the catch-up efficiency target is incorporated into the ongoing efficiency target.

Likewise, the 2% target set by the ERA in Western Australia for Western Power also includes both catch up and continuing efficiency. The ERA noted that Western Power could achieve greater operating expenditure efficiencies in its base operating expenditure.

Where targets are specific to continuing efficiency, they tend to be lower, between 0% to 1%. These also tend to have a narrower focus on either utilities only or selected sectors most relevant to utilities, rather than all market sectors.

[7] https://www.erawa.com.au/cproot/23187/2/Final-Decision---Attachment-06---Operating-expenditure.PDF
[8] https://www.ofwat.gov.uk/wp-content/uploads/2024/12/CEPA-Frontier-Shift.pdf
[9] https://comcom.govt.nz/__data/assets/pdf_file/0025/363283/EDB-DPP4-Final-decision-Reasons-paper-Attachment-C-Operating-Expenditure-20-November-2024.pdf

Council's plan to meet the target

Council is committed to achieving its efficiency target and recognises that this requires a collective effort across all areas of the business. This section describes the framework that Council has implemented to deliver on its efficiency goals.

Council's cost efficiency framework

Council has developed a cost efficiency framework built on a continuous improvement cycle, designed to identify, implement, and assess efficiency initiatives. Its cyclical nature ensures Council remains proactive in seeking opportunities to operate more efficiently, consistently delivering high-quality services at the lowest sustainable cost to customers.

Identify

Council has put in a robust and structured process to identify cost efficiencies across the business. These include:

- Establishing a dedicated Assessment & Performance for Efficiency Excellence (APEX) team within water and sewer that is responsible for the ongoing identification, implementation, and monitoring of efficiencies and reporting of efficiency initiatives.
- The APEX team will consult with subject matter experts and cross-functional teams to identify, review, and map the key processes within water and sewer.
- These key processes will be evaluated and challenged by the APEX team to identify areas of waste and inefficiencies, and cost efficiency opportunities with subject matter experts and cross-functional teams.
- Regular evaluation and alignment of business cases and Cost-Benefit Analysis (CBA) with 3Cs framework to ensure cost efficiency optimisation of opex and capex
- Introduce and encourage an innovative 'Small Changes, Big Gains' mindset across individuals and teams with solutions to doing more with less.

Box 2: Value Stream Mapping and TIMWOOD to identify waste

To identify inefficiencies and improve service delivery, Council plans to use two proven tools in combination: Value Stream Mapping (VSM) and TIMWOOD.

VSM is a method for mapping out the steps involved in delivering a service or completing a process from start to finish. This helps teams:

- understand how work flows through a system,
- identify delays, handovers, or unnecessary steps,
- spot where value is added and where it is not.

By laying out a process, VSM enables Council to see inefficiencies clearly and target areas for improvement. TIMWOOD is a structured way to classify the most common types of waste found within mapped processes. The seven categories covered by TIMWOOD are:

- **T – Transportation:** Unnecessary movement of materials, transportation of data, spare parts, information, or staff between depots and job sites.
- **I – Inventory:** Holding more stock like chemical stock, over-ordered materials, or unused inventory
- **M – Motion:** Excessive movement by personnel or equipment due to inefficiencies in layout or systems. Examples include field crew walking back and forth to get tools not stored correctly
- **W – Waiting:** Idle time due to delays, bottlenecks, or resource unavailability. Examples include waiting on supervisor approval to repair leaks or main breaks
- **O – Overproduction:** Producing outputs before they are needed or more than immediate demand. Examples include hiring additional staff before network expansion or renewal programs require
- **O – Over-processing:** Performing extra steps, checks, or delivering features. Examples include doing unnecessary tests or processes
- **D – Defects:** Outputs that fail to meet standards or require corrective action. Examples failing assets due to lack of preventative maintenance.

Box 3: Introducing Kaizen – Small Changes, Big Gains

Kaizen is a structured, continuous improvement approach where everyone in Council, regardless of role, regularly seeks small, practical improvements in how work gets done. That might mean:

- saving a few seconds of a task,
- streamlining steps so fewer approvals are needed,
- repositioning tools for easier access, or
- simplifying language in communications.

All these small changes, when added up and compounded over time, can deliver significant efficiency gains. Kaizen ensures that even the smallest of improvements remain top-of-mind for teams seeking to enhance performance.

Classify

Council will be categorising and classifying each business improvement opportunity by efficiency type. This will help guide setting quantitative and qualitative KPI's to ensure goals translate to measurable outcomes. Council's types of efficiency include:

1. **Avoided Costs** – Identifying and eliminating unnecessary spending or acting now to avoid future expenditure. An example could be not overstaffing low demand sites or increasing preventative maintenance measures to prevent future outages.
2. **Cost Reduction** – Finding smarter ways to do the same (or more) work at a lower cost. For example, switching to energy-efficiency systems such as variable speed drives to reduce electricity costs.
3. **Productivity Improvements** – Delivering better customer and community (or employee) outcomes or service without increasing spending. This might include using new technology, improving processes, or reallocating resources to areas that will have the greatest impact.

Test, Pilot & Deliver

Council has developed an effective delivery process to ensure opportunities translate to clear outcomes. Council's delivery process:

- Assigns "Champions of Change" to the appropriate peoples and teams, with clear roles and responsibilities.
- Ensures stakeholders responsible for the delivery of cost efficiencies will be empowered with cost-benefit tools, business cases, delivery templates, and milestone tracking to pilot improvements.
- Provides support to those responsible for the delivery of cost efficiencies.
- Enables successful pilots (based on quantitative and qualitative KPIs) to be scaled where appropriate.

Evaluate Impact

Council plans to regularly evaluate the success and performance of efficiency initiatives. This process ensures:

- Regular assessment of quantitative and qualitative KPI's to determine the success of the initiative.
- Documentation of lessons learned for future improvement cycles and regulatory reporting. This will allow for robust and adaptable implementation of future initiatives, whilst learning from past failures.

Share, Scale & Repeat

Council plans to communicate and promote successful initiatives and lessons learned through internal channels and replicate what works across functions. By regularly sharing the achievements of initiatives and the teams responsible, Council aims to promote a culture of continuous improvement that will benefit its community.

Council's next steps in driving efficiency

Council has identified several efficiency initiatives to pursue for the 2026-27 to 2030-31 determination period. Table 9 below lists the summarised initiatives that could be implemented over the upcoming determination period, subject to further investigation. Furthermore, Council's cost efficiency framework will guide Council to identify and deliver further efficiency initiatives throughout the upcoming determination period to meet the 0.7% target.

Table 9: Initial opex and capex efficiency initiatives over 2026-27 to 2030-31

Initial opportunities identified	OPEX	CAPEX
Digital & Technology	$9.2M - $11.2M	
Cost Rationalisation	$3.4M - $5.7M	
Maintenance	$2.3M	
Project Delivery		$1.4M
Yet to be identified	Up to $1.4M	Up to $11.8M
Total	**$18.4M**	**$13.2M**

Digital & Technology

Digital and technological innovation is a major path to achieving efficiency improvements required to drive better outcomes for Council's customers and community, whilst keeping bills low. Council is seeking to implement a variety of technologies to improve processes at a lower cost, including but not limited to:

- The use of technologies such as acoustic scanning, ROV and S-GATE valves to facilitate Council's capacity to detect and prevent asset leaks and enable proactive maintenance of assets to eliminate unnecessary waste and larger, more expensive replacements.
- Digital monitoring systems to provide real time data-driven decision making which will improve service delivery for customers and reduce excessive expenditure to complete tasks.

Cost Rationalisation

Council is investigating opportunities to reduce expenditure by finding methods to achieve the same outcome with less inputs, including but not limited to:

- Energy cost optimisation, by operating major sites during off-peak periods, effectively reducing energy costs without compromising essential operations
- Reducing the number of staff deployed to undertake reactive and preventative maintenance operations, achieving the same outcome whilst halving the cost.
- Evaluating the cost-effectiveness of insourcing key functions currently performed by external contractors, to reduce inefficiencies, improve information flow, and enhance internal capability

Maintenance

In the current determination as part of the Transition Strategy, Council has made significant progress in shifting from reactive to preventative maintenance. These efforts will be further expanded in the upcoming determination period by proactively targeting repeat incident areas and implementing solutions that reduce avoidable site visits and costly rework.

For example, the introduction of controlled hydrants on dead-end water mains will reduce the need for planned outages and customer disruptions during maintenance, improving crew efficiency and response times. Similarly, addressing repeat sewer discharge incidents through early intervention and targeted follow-up work orders will generate measurable efficiency savings and improve service outcomes.



Accountability for efficiency strategy

For the upcoming determination period, Council will improve its accountability to the community based on feedback from recent engagement programs and in alignment to IPART 3Cs framework. The procedures and reporting processes Council is putting in place include:

- Putting customers and community at the forefront of business decisions through the incorporation of customer and community impact into business cases.
- Management accountability through the Executive Leadership Team (ELT) to deliver the cost-efficiency strategy.
- Performance reporting to the ELT via the Performance Report
- Strengthening organisational accountability by expanding on performance metrics, such as annual updates on achieving cost-efficiency targets, expenditure linked to customer values and performance against environmental regulations.

Council will hold itself accountable to its customers and community by:

- Publishing the Strategy on Council's website
- Reporting Council's expanded accountability metrics annually to its customers
- Communicating Council's efficiency performance to its broader customer base via existing channels
- Regularly reporting on Council's performance to IPART.

Abbreviations

IPART	Independent Pricing and Regulatory Tribunal

Central Coast Council | Water and Sewer

Water and Sewer Cost Efficiency Strategy

Central Coast Council
2 Hely Street / PO Box 20 Wyong NSW 2259
P 02 4306 7900
W centralcoast.nsw.gov.au
ABN 73 149 644 001

September 2025

Lawrie McKinna
Mayor
Central Coast Council

David Farmer
Chief Executive Officer
Central Coast Council
[By email]

Dear Lawrie and David,

Attestation to the accuracy of the Pricing Proposal

We have undertaken a quality assurance review of the Pricing Proposal and associated AIR/SIR template as provided by Central Coast Council. This review has been an iterative process where we first identified issues through the review that have subsequently been addressed by Central Coast Council staff.

Through this review, we can confirm that:

- The information in the Pricing Proposal is consistent with the AIR/SIR
- The figures within the Pricing Proposal are accurate and correctly sourced, and
- The Pricing Proposal includes proposed prices for each of Central Coast Council's regulated services.

If you have any queries regarding the review, please contact Gareth Taylor on 0425 143 975 or gareth.taylor1@ricardo.com.

Kind regards,

Tim Ryan
Associate Director

25 August 2025

Central Coast Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2025

A vibrant and sustainable Central Coast

Central Coast Council

General Purpose Financial Statements

for the year ended 30 June 2025

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Overview

Central Coast Council is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

2 Hely Street Wyong, NSW 2259

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.centralcoast.nsw.gov.au

Central Coast Council

General Purpose Financial Statements
for the year ended 30 June 2025

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 23 September 2025.

Laurie McKinna
Mayor
23 September 2025

Doug Eaton
Deputy Mayor
23 September 2025

Marissa Racomelara
A/Chief Executive Officer
23 September 2025

Emma Galea
Responsible Accounting Officer
23 September 2025

Central Coast Council

Income Statement

for the year ended 30 June 2025

Original unaudited budget 2025	$ '000	Notes	Actual 2025	Restated Actual 2024
	Income from continuing operations			
460,606	Rates and annual charges	B2-1	**459,607**	421,528
170,284	User charges and fees	B2-2	**181,230**	169,410
15,532	Other revenues	B2-3	**17,256**	18,329
44,668	Grants and contributions provided for operating purposes	B2-4	**44,395**	52,810
109,592	Grants and contributions provided for capital purposes	B2-4	**129,456**	120,941
26,022	Interest and investment income	B2-5	**45,062**	38,248
10,462	Other income	B2-6	**15,132**	16,131
837,166	**Total income from continuing operations**		**892,138**	837,397
	Expenses from continuing operations			
217,710	Employee benefits and on-costs	B3-1	**225,354**	194,559
236,994	Materials and services	B3-2	**230,070**	221,613
12,010	Borrowing costs	B3-3	**13,214**	12,466
47,217	Other expenses	B3-5	**46,110**	43,096
–	Net loss from the disposal of assets	B4-1	**7,981**	8,827
513,931	**Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets**		**522,729**	480,561
323,235	**Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets**		**369,409**	356,836
202,942	Depreciation, amortisation and impairment of non-financial assets [1]	B3-4	**211,449**	198,186
120,293	**Operating result from continuing operations**		**157,960**	158,650
120,293	Net operating result for the year attributable to Council		**157,960**	158,650
10,701	**Net operating result for the year before grants and contributions provided for capital purposes**		**28,504**	37,709

(1) Restated 2023/24

The above Income Statement should be read in conjunction with the accompanying notes.

Central Coast Council

Statement of Comprehensive Income

for the year ended 30 June 2025

$ '000	Notes	2025	Restated 2024
Net operating result for the year – from Income Statement		**157,960**	158,650
Other comprehensive income:			
Amounts that will not be reclassified subsequent to operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-8	**939,794**	325,202
Total other comprehensive income for the year		**939,794**	325,202
Total comprehensive income for the year attributable to Council (restated)		**1,097,754**	483,852

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Central Coast Council

Statement of Financial Position

as at 30 June 2025

$ '000	Notes	2025	Restated 2024	Restated 1 July 2023
ASSETS				
Current assets				
Cash and cash equivalents	C1-1	**37,387**	122,934	79,523
Investments	C1-2	**369,936**	257,020	248,590
Receivables	C1-4	**96,746**	89,587	89,794
Inventories	C1-5	**1,534**	1,588	1,593
Non-current assets classified as 'held for sale'	C1-7	**19,070**	19,070	20,677
Other	C1-10	**15,539**	6,171	5,925
Total current assets		**540,212**	496,370	446,102
Non-current assets				
Investments	C1-2	**466,898**	419,754	432,443
Receivables	C1-4	**2,180**	2,370	2,806
Infrastructure, property, plant and equipment (IPPE)	C1-8	**10,033,020**	8,989,246	8,615,630
Intangible assets	C1-9	**13,851**	16,465	19,454
Right of use assets	C2-1	**4,338**	4,946	5,597
Other	C1-10	**725**	427	663
Total non-current assets		**10,521,012**	9,433,208	9,076,593
Total assets		**11,061,224**	9,929,578	9,522,695
LIABILITIES				
Current liabilities				
Payables	C3-1	**113,409**	98,262	88,774
Contract liabilities	C3-2	**27,056**	32,309	32,517
Lease liabilities	C2-1	**587**	479	487
Borrowings	C3-3	**65,921**	20,206	104,245
Employee benefit provisions	C3-4	**62,951**	58,891	57,978
Provisions	C3-5	**8,242**	10,221	6,668
Total current liabilities		**278,166**	220,368	290,669
Non-current liabilities				
Contract liabilities	C3-2	**9,478**	9,543	7,348
Lease liabilities	C2-1	**4,688**	5,315	5,877
Borrowings	C3-3	**145,491**	171,414	181,619
Provisions	C3-5	**89,532**	86,823	84,914
Total non-current liabilities		**249,189**	273,095	279,758
Total liabilities		**527,355**	493,463	570,427
Net assets		**10,533,869**	9,436,115	8,952,268
EQUITY				
Accumulated surplus		**7,682,813**	7,524,853	7,366,208
IPPE revaluation surplus	C4-1	**2,851,056**	1,911,262	1,586,060
Total equity		**10,533,869**	9,436,115	8,952,268

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Central Coast Council

Statement of Changes in Equity

for the year ended 30 June 2025

		2025			2024		
		Accumulated surplus	**IPPE revaluation surplus**	**Total equity**	Accumulated surplus	IPPE revaluation surplus	Total equity
$ '000	Notes				Restated	Restated	Restated
Opening balance at 1 July		**7,524,853**	**1,911,262**	**9,436,115**	7,309,745	1,586,060	8,895,805
Correction of prior period errors	G4-1	**–**	**–**	**–**	56,458	–	56,458
Restated opening balance		**7,524,853**	**1,911,262**	**9,436,115**	7,366,203	1,586,060	8,952,263
Net operating result for the year		**157,960**	**–**	**157,960**	145,766	–	145,766
Correction of prior period errors	G4-1	**–**	**–**	**–**	12,884	–	12,884
Restated net operating result for the period		**157,960**	**–**	**157,960**	158,650	–	158,650
Other comprehensive income							
– Gain / (loss) on revaluation of infrastructure, property, plant and equipment	C1-8	**–**	**939,794**	**939,794**	–	325,202	325,202
Total comprehensive income		**157,960**	**939,794**	**1,097,754**	158,650	325,202	483,852
Restated closing balance at 30 June		**7,682,813**	**2,851,056**	**10,533,869**	7,524,853	1,911,262	9,436,115

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Central Coast Council

Statement of Cash Flows

for the year ended 30 June 2025

Original unaudited budget 2025	$ '000	Notes	Actual 2025	Actual 2024
	Cash flows from operating activities			
	Receipts:			
463,477	Rates and annual charges		**458,989**	420,346
168,974	User charges and fees		**181,590**	169,779
24,834	Interest received		**39,787**	37,642
154,063	Grants and contributions		**150,461**	149,439
25,078	Other (includes rental income)		**22,266**	23,999
	Payments:			
(214,335)	Payments to employees		**(218,353)**	(195,319)
(234,799)	Payments for materials and services		**(216,066)**	(222,344)
(9,968)	Borrowing costs		**(12,852)**	(11,416)
–	Bonds, deposits and retentions refunded		**(109)**	(130)
(42,481)	Other (includes EPA levy)		**(58,826)**	(25,564)
334,843	**Net cash flows from operating activities**	G1-1	**346,887**	346,432
	Cash flows from investing activities			
	Receipts:			
11,162	Sale of investments		**365,170**	338,600
20,702	Proceeds from sale of IPPE and non-current assets held for sale		**4,186**	5,717
	Payments:			
(40,308)	Purchase of investments		**(522,910)**	(329,542)
(308,282)	Payments for IPPE		**(297,882)**	(222,658)
–	Purchase of intangible assets		**–**	(130)
(316,726)	**Net cash flows from investing activities**		**(451,436)**	(208,013)
	Cash flows from financing activities			
	Receipts:			
40,000	Proceeds from borrowings		**40,000**	10,000
	Payments:			
(20,206)	Repayment of borrowings		**(20,208)**	(104,244)
(474)	Lease payments (AASB 16)		**(790)**	(764)
19,320	**Net cash flows from financing activities**		**19,002**	(95,008)
37,437	**Net change in cash and cash equivalents**		**(85,547)**	43,411
112,112	Plus: cash and cash equivalents at beginning of year		**122,934**	79,523
149,549	Cash and cash equivalents at end of year	C1-1	**37,387**	122,934

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Central Coast Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on xx xxx 2025. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these consolidated financial statements is included with the relevant note . These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment.

Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

i. fair values of infrastructure, property, plant and equipment – refer Note C1-8
ii. tip remediation provisions – refer Note C3-5
iii. employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

i. Impairment of receivables – refer to Note C1-4.
ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.
iv. Assets classified as held for sale - refer to Note C1-7.

Going Concern

The Financial Statements have been prepared on a going concern basis, which assumes Council will be able to meet its debts and other financial obligations as they fall due.

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- general purpose operations
- water service
- sewerage service

continued on next page ...

A1-1 Basis of preparation (continued)

- drainage
- domestic waste
- committees established under the *Local Government Act 1993 (NSW)* S355

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and property received by Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

Volunteer services

Volunteer services are services received by Council from individuals or other entities without charge or for consideration significantly less than the fair value of those services. These may include:

- Committees with volunteer members,
- Volunteers at art galleries or museums,
- Library volunteers,
- Childcare volunteers,
- Outdoor space volunteers, and
- Volunteers at special Council events.

Volunteer services will only be recognised when:

- such services would be purchased if they had not been donated, and
- the fair value of those services can be reliably measured.

Council, as necessary, has recognised the cost and associated income of volunteer services in relation to Council's Art Gallery and Theatre as Other Income and Other Expenses in Notes B2-3 and B3-2 respectively.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2025 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2025.

- **AASB 2020-1** ***Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current***
- **AASB 2020-6** ***Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*** **- Deferral of Effective Date**
- **AASB 2022-6** ***Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants***
- **AASB 2022-5** ***Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback***
- **AASB 2022-10** ***Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.***

These standards did not have a significant impact on Council's reported position or performance.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

	Income		Expenses		Operating results		Grants and contributions		Carrying amount of assets	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
$ '000		Restated		Restated		Restated				Restated
Functions or activities										
Responsible	**821,380**	767,485	**547,411**	504,821	**273,969**	262,664	**157,264**	153,443	**9,364,942**	8,264,255
Liveable	**45,238**	44,556	**113,993**	105,010	**(68,755)**	(60,454)	**13,967**	14,220	**665,239**	640,279
Belonging	**5,318**	5,513	**24,229**	23,195	**(18,911)**	(17,682)	**386**	1,372	**43,467**	39,471
Smart	**15,309**	15,160	**24,697**	25,887	**(9,388)**	(10,727)	**222**	1,020	**963,370**	961,048
Green	**4,893**	4,683	**23,848**	19,834	**(18,955)**	(15,151)	**2,012**	3,696	**24,206**	24,525
Other	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(7)
Total functions and activities	**892,138**	837,397	**734,178**	678,747	**157,960**	158,650	**173,851**	173,751	**11,061,224**	9,929,571

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Responsible

- Governance
- Partnerships - Plans into practice
- Communicate with community
- Engage with community
- Serve the community
- Delivering essential Infrastructure (roads, carparks, energy, water, telecommunications)

Liveable

- Public transport connections
- Plans transport management options
- Shared pathways
- Signage, public facilities, amenities, playgrounds, public areas
- Waterways, wharves, jetties, boat ramps and ocean baths
- Sport, leisure, recreational facilities,open space
- Healthcare
- Learning and knowledge
- Community facilities
- Heritage
- Land use planning
- Environmental
- Housing

Belonging

- Community spirit
- Connect people
- Inclusion and well being
- Social and health issues
- Community safety
- Activate places
- Events
- Sporting,cultural, festivals
- Arts

Smart

- Economic development
- CBD, town centres
- Tourism
- Innovation and futures

Green

- Natural areas
- Biodiversity
- Water quality
- Litter and landfill
- Renewable energy
- Protection of environment

B2 Sources of income

B2-1 Rates and annual charges

$ '000	2025	2024
Ordinary rates		
Residential	**191,090**	180,732
Farmland	**984**	940
Mining	**2,502**	2,387
Business	**27,786**	26,036
Less: pensioner rebates (State Government funded)	**(2,177)**	(2,186)
Less: pensioner rebates (Council funded)	**(1,782)**	(1,788)
Rates levied to ratepayers	**218,403**	206,121
Pensioner rate subsidies received	**–**	2,172
Total ordinary rates	**218,403**	208,293
Special rates		
Town improvement	**1,676**	1,596
Parking	**246**	228
Tourism / business development	**1,191**	1,132
Total special rates	**3,113**	2,956
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	**84,280**	78,860
Water supply services	**51,632**	35,342
Sewerage services	**79,897**	73,706
Drainage	**21,185**	20,361
Waste management services (not-domestic)	**4,177**	4,035
Section 611 charges	**104**	104
Liquid trade waste	**610**	545
Less: pensioner rebates (State Government funded)	**(3,307)**	(3,307)
Less: pensioner rebates (Council funded)	**(2,706)**	(2,706)
Annual charges levied	**235,872**	206,940
Pensioner annual charges subsidies received:		
– Water	**1,121**	1,123
– Sewerage	**1,098**	1,119
– Domestic waste management	**–**	1,097
Total annual charges	**238,091**	210,279
Total rates and annual charges	**459,607**	421,528

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate, noting that revenue is amortised across the financial year. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance. Pensioner rate subsidies for general rates and domestic waste management are no longer accrued, but are recognised as they are received. This resulted in a reduction in 2024-25 but will not impact future years. Subsidies related to Water and Sewerage charges continue to be accrued due to reporting requirements of the regulator.

B2-2 User charges and fees

$ '000	2025	2024
User charges		
Water supply services	**70,550**	68,127
Sewerage services	**20,835**	20,126
Waste management services	**100**	79
Liquid trade waste	**2,326**	1,938
Total user charges	**93,811**	90,270
Fees		
Building services – other	**1,220**	1,212
Development applications	**4,268**	4,644
Inspection services	**1,328**	1,129
Private works – section 67	**943**	476
Registration fees	**383**	334
Regulatory/statutory fees	**249**	106
Rezoning fees	**141**	218
Section 10.7 certificates (EP&A Act)	**1,142**	1,115
Sewer diagram fees	**437**	426
Section 603 certificates	**781**	819
Aerodrome	**61**	62
Camping ground	**859**	789
Child care	**9,778**	8,886
Companion animals	**328**	412
Engineering design fees	**961**	686
Holiday parks	**13,683**	12,913
On site sewer management (OSSM)	**720**	689
Parking fees	**615**	591
Parks and recreation	**1,097**	1,052
Refuse and effluent disposal	**1**	–
Sewerage Connection Income	**246**	291
Swimming centres	**5,731**	5,327
Theatres	**1,029**	868
Tipping fees	**26,880**	23,940
Transport for NSW works (state roads not controlled by Council)	**10,792**	8,364
Other	**2,455**	2,444
Water connection fees	**1,291**	1,347
Total fees	**87,419**	79,140
Total user charges and fees	**181,230**	169,410
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	**14,542**	13,702
User charges and fees recognised at a point in time	**166,688**	155,708
Total user charges and fees	**181,230**	169,410

Material accounting policy information

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2-3 Other revenues

$ '000	2025	2024
Fines – parking	**1,037**	979
Landfill sale of scrap metal	**1,225**	1,313
Fines – other	**1,701**	4,063
Sales – general	**2,960**	1,172
Event revenue	**3,366**	4,219
Insurance claims recoveries	**580**	1,024
Legal fees recovery – other	**623**	650
Diesel rebate	**631**	358
Cemetery income	**369**	338
Recreation	**94**	–
Landfill gas royalty payment	**839**	646
Section 355 Committee income	**101**	354
Art House trading	**3,132**	2,419
Other	**598**	794
Total other revenue	**17,256**	18,329
Timing of revenue recognition for other revenue		
Other revenue recognised over time	**–**	–
Other revenue recognised at a point in time	**17,256**	18,329
Total other revenue	**17,256**	18,329

Material accounting policy information for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Parking and other fines are recognised as revenue when the payment is received. This is a change in accounting policy effective from 2024-25 which has resulted in a one-off reduction in fine revenue and applicable provision for doubtful debts.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

B2-4 Grants and contributions

$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024 Restated
General purpose grants and non-developer contributions (untied)				
Current year allocation				
Financial assistance – general component	**3,976**	993	**–**	–
Financial assistance – local roads component	**885**	224	**–**	–
Payment in advance - future year allocation				
Financial assistance – general component	**13,559**	21,970	**–**	–
Financial assistance – local roads component	**3,014**	4,854	**–**	–
Amount recognised as income during current year	**21,434**	28,041	**–**	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Bushfire and emergency services	**9,274**	4,764	**–**	18
Child care	**525**	560	**4**	346
Community care	**6**	775	**215**	–
Employment and training programs	**232**	174	**–**	–
Environmental programs	**1,147**	2,206	**777**	1,316
Library	**1,005**	994	**2,682**	2,921
LIRS subsidy	**–**	3	**–**	–
Recreational facilities	**43**	24	**8,361**	8,286
Roads and bridges	**5**	–	**51,175**	35,205
Roadworks	**–**	20	**–**	–
Sewerage (excl. section 64 contributions)	**–**	–	**40**	(3)
Street lighting	**1,046**	1,026	**–**	–
Transport (roads to recovery)	**–**	–	**3,603**	2,772
Transport for NSW contributions (regional roads, block grant)	**4,046**	3,973	**–**	–
Transport (other roads and bridges funding)	**2,668**	6,728	**152**	400
Vehicle contributions by employees	**1,997**	1,943	**–**	–
Water / Sewer Infrastructure	**–**	–	**11,288**	11,259
Youth services	**13**	65	**–**	–
Other	**954**	1,503	**400**	1,218
Other contributions	**–**	11	**–**	–
Non-cash contributions				
Donated assets	**–**	–	**26,139**	26,756
Total special purpose grants and non-developer contributions (tied)	**22,961**	24,769	**104,836**	90,494
Total grants and non-developer contributions	**44,395**	52,810	**104,836**	90,494
Comprising:				
– Commonwealth funding	**21,448**	28,096	**21,148**	22,817
– State funding	**20,699**	22,329	**57,087**	40,508
– Other funding	**2,248**	2,385	**26,601**	27,169
	44,395	52,810	**104,836**	90,494

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B2-4 Grants and contributions (continued)

Developer contributions

$ '000	Notes	Operating 2025	Operating 2024	Capital 2025	Capital 2024 Restated
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G5				
Cash contributions					
S 7.11 – contributions towards amenities/services		**–**	–	**310**	23
S 7.12 – fixed development consent levies		**–**	–	**3,144**	4,581
S 64 – water supply contributions		**–**	–	**4,967**	3,339
S 64 – sewerage service contributions		**–**	–	**3,479**	2,353
Other developer contributions		**–**	–	**302**	295
S 7.11 – stormwater contributions		**–**	–	**1,816**	2,281
S 7.11 – roadworks		**–**	–	**3,942**	3,348
S 7.11 – open space		**–**	–	**3,972**	5,461
S 7.11 – community facilities		**–**	–	**2,606**	2,330
Non-cash contributions					
S 7.11 – contributions towards amenities/services		**–**	–	**–**	4,471
S 7.11 - drainage assets		**–**	–	**–**	982
S 64 – sewerage service contributions		**–**	–	**34**	301
S 64 – water supply contributions		**–**	–	**48**	682
Total developer contributions	G5	**–**	–	**24,620**	30,447
Total grants and contributions		**44,395**	52,810	**129,456**	120,941
Timing of revenue recognition					
Grants and contributions recognised over time		**19,022**	19,906	**53,222**	34,301
Grants and contributions recognised at a point in time		**25,373**	32,904	**76,234**	86,640
Total grants and contributions		**44,395**	52,810	**129,456**	120,941

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B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

$ '000	Operating 2025	Operating 2024	Capital 2025	Capital 2024
Grants				
Unspent funds at 1 July	**5,811**	10,710	**28,847**	20,397
Add: Funds received and not recognised as revenue in the current year	**783**	3,232	**7,477**	13,192
Less: Funds received in prior year but revenue recognised and funds spent in current year	**(3,287)**	(8,131)	**(10,036)**	(4,742)
Unspent funds at 30 June	**3,307**	5,811	**26,288**	28,847
Contributions				
Unspent funds at 1 July	**655**	685	**240,742**	226,361
Add: contributions received and not recognised as revenue in the current year	**81**	174	**36,625**	36,326
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	**(160)**	(204)	**(25,977)**	(21,945)
Unspent funds at 30 June	**576**	655	**251,390**	240,742

Material accounting policy information

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include differing performance obligations within AASB 15, for example, event milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by Council.

Developer contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

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B2-4 Grants and contributions (continued)

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Interest and investment income

$ '000	2025	2024
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	**3,698**	3,048
– Cash and investments	**41,364**	35,200
Total interest and investment income	**45,062**	38,248

Material accounting policy information

Interest income is recognised using the effective interest rate at the date that interest is earned.

B2-6 Other income

$ '000	Notes	2025	2024
Rental income			
Rental Income		**6,209**	5,482
Room/Facility Hire		**4,718**	4,504
Outdoor space		**206**	180
Other		**143**	139
Total rental income	C2-2	**11,276**	10,305
Fair value increment on investments through profit and loss		**3,856**	5,826
Total other income		**15,132**	16,131

B3 Costs of providing services

B3-1 Employee benefits and on-costs

$ '000	2025	2024
Salaries and wages	**163,656**	144,707
Employee termination costs	**1,711**	607
Employee leave entitlements	**42,156**	36,052
Superannuation	**21,783**	19,287
Workers Compensation	**6,576**	4,407
Fringe benefit tax (FBT)	**363**	73
Payroll tax	**2,829**	2,288
Total employee costs	**239,074**	207,421
Less: capitalised costs	**(13,720)**	(12,862)
Total employee costs expensed	**225,354**	194,559

Material accounting policy information

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

B3-2 Materials and services

$ '000	Notes	2025	2024
Raw materials and consumables		**30,250**	30,389
Contractor costs		**85,451**	78,122
Contract costs Garbage collection		**36,985**	35,646
Contract costs Green waste processing		**7,479**	7,068
Contract costs Agency hire		**4,454**	4,257
Audit Fees	F2-1	**559**	711
Advertising		**816**	744
Bank charges		**1,450**	1,245
Commissions		**5,365**	5,920
Computer software charges		**14,506**	12,851
Election expenses		**2,342**	11
Councillor, Mayoral and Administrator fees and associated expenses	F1-2	**729**	387
Electricity and heating		**13,707**	14,483
Events and promotions		**2,897**	3,011
Gas charges		**257**	149
Insurance		**5,254**	6,138
Licences		**1,458**	1,173
Planning NSW development application fees		**759**	544
Postage		**1,347**	1,059
Printing and stationery		**1,042**	1,092
Street lighting		**3,355**	4,618
Subscriptions and publications		**709**	681
Telephone and communications		**1,649**	1,588
Tip rehabilitation provision adjustment		**(2,393)**	(265)
Travel expenses		**23**	30
Training costs		**1,814**	1,640
Valuer general fees		**1,033**	1,085
Vehicle registrations		**906**	776
Other expenses		**3,510**	4,172
Legal expenses:			
– Legal expenses: other		**1,136**	1,029
Expenses from short-term leases		**1,109**	1,199
Expenses from Peppercorn leases		**5**	4
Expenses from leases of low value assets		**7**	7
Variable lease expenses relating to usage		**100**	49
Total materials and services		**230,070**	221,613

B3-3 Borrowing costs

$ '000	Notes	2025	2024
Interest on leases		**255**	272
Interest on loans		**9,796**	9,288
Interest on other debts		**28**	109
Amortisation of discounts and premiums			
- Floating Rate Notes		**–**	–
Remediation liabilities	C3-5	**3,135**	2,797
Total borrowing costs expensed		**13,214**	12,466

B3-4 Depreciation, amortisation and impairment of non-financial assets

Depreciation and amortisation			
Plant and equipment		**8,717**	7,894
Office equipment		**1,991**	1,666
Furniture and fittings		**1,521**	1,590
Land improvements (depreciable)		**1,151**	1,171
Infrastructure:	C1-8		
– Buildings – specialised		**19,714**	18,720
– Other structures		**627**	641
– Roads		**45,765**	44,346
– Bridges		**1,143**	979
– Footpaths		**4,225**	3,921
– Stormwater drainage		**15,394**	14,380
– Water supply network		**39,343**	37,622
– Sewerage network		**45,437**	41,230
– Swimming pools		**654**	599
– Other open space/recreational assets		**15,843**	13,190
– Other infrastructure		**2,226**	2,052
Other assets:			
– Library books		**674**	741
– Other		**146**	175
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-8	**3,606**	3,577
Right of use assets	C2-1	**658**	573
Intangible assets	C1-9	**2,614**	3,119
Total depreciation and amortisation costs		**211,449**	198,186
Total depreciation, amortisation and impairment for non-financial assets		**211,449**	198,186

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B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

Material accounting policy information

Depreciation and amortisation
Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets
Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement. When a net revaluation increment reverses a net revaluation decrement previously recognised as an expense in the trading result in respect of the same class of non-current asset, it must be recognised immediately as revenue in the trading account.

B3-5 Other expenses

$ '000	2025	2024
Impairment of receivables		
Sundry debtors and other charges	**(2,380)**	285
Fair value decrement on investments		
Fair value decrement on investments through profit and loss	**1,536**	1,027
Other expenses		
Contributions/levies to other levels of government		
– NSW Fire and rescue levy	**3,932**	3,926
– NSW rural fire service levy	**2,024**	2,056
– Waste levy	**36,433**	31,202
– Holiday Park levy	**677**	435
– NSW State emergency services levy	**1,247**	1,609
Donations, Contributions and assistance to other organisations (Section 356)		
– The Art House	**1,213**	1,163
– Surf Life Saving Clubs	**214**	214
– Community grants	**689**	866
– Other contributions and donations	**419**	313
Fines and Penalties	**106**	–
Total other expenses	**46,110**	43,096

Material accounting policy information
Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

$ '000	Notes	2025	2024
Gain (or loss) on disposal of plant and equipment	C1-8		
Proceeds from disposal – plant and equipment		**4,186**	4,783
Less: carrying amount of plant and equipment assets sold/written off		**(3,153)**	(2,878)
Gain (or loss) on disposal		**1,033**	1,905
Gain (or loss) on disposal of infrastructure assets	C1-8		
Proceeds from disposal – infrastructure		**–**	–
Less: carrying amount of infrastructure assets sold/written off		**(3,029)**	(3,776)
Gain (or loss) on disposal		**(3,029)**	(3,776)
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		**365,170**	338,600
Less: carrying amount of investments sold/redeemed/matured		**(365,170)**	(338,600)
Gain (or loss) on disposal		**–**	–
Gain (or loss) on disposal of land	C1-8		
Proceeds from disposal – community and operational Land		**–**	934
Less: carrying amount of community and operational Land assets sold/written off		**–**	(2,712)
Gain (or loss) on disposal		**–**	(1,778)
Gain (or loss) on disposal of stormwater drainage assets	C1-8		
Proceeds from disposal – Stormwater Drainage		**–**	–
Less: carrying amount of stormwater drainage assets sold/written off		**(178)**	(1,396)
Gain (or loss) on disposal		**(178)**	(1,396)
Gain (or loss) on disposal of sewerage network assets	C1-8		
Proceeds from disposal – Sewerage Network		**–**	–
Less: carrying amount of sewerage network assets sold/written off		**(2,514)**	(2,489)
Gain (or loss) on disposal		**(2,514)**	(2,489)
Gain (or loss) on disposal of buildings			
Proceeds from disposal – Buildings		**–**	–
Less: carrying amount of Building assets sold/written off		**(2,078)**	–
Gain (or loss) on disposal		**(2,078)**	–
Gain (or loss) on disposal of water supply assets	C1-8		
Proceeds from disposal – water supply assets		**–**	–
Less: carrying amount of water supply assets assets sold/written off		**(421)**	(519)
Gain (or loss) on disposal		**(421)**	(519)
Gain (or loss) on disposal of other assets	C1-8		
Proceeds from disposal – Other assets		**–**	–
Less: carrying amount of other assets sold/written off		**(794)**	(774)
Gain (or loss) on disposal		**(794)**	(774)
Net gain (or loss) from disposal of assets		**(7,981)**	(8,827)

Material accounting policy information
Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 25 June 2024 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

Variation Key: F = Favourable budget variation, **U** = Unfavourable budget variation.

$ '000	2025 Budget	2025 Actual	2025 Variance		
Revenues					
Rates and annual charges	460,606	459,607	(999)	0%	U
User charges and fees	170,284	181,230	10,946	6%	F
Other revenues	15,532	17,256	1,724	11%	F
Favourable variance is mainly due to more than budgeted biodiversity credit sales during the year.					
Operating grants and contributions	44,668	44,395	(273)	(1)%	U
Capital grants and contributions	109,592	129,456	19,864	18%	F
Favourable variance predominantly relates to a large amount of donated assets that were not included in the original adopted budget.					
Interest and investment revenue	26,022	45,062	19,040	73%	F
Favourable variance relates to the higher than budgeted value of Council's investment portfolio and higher than budgeted interest earnings on floating rate notes and bonds from a high interest rate environment.					
Other income	10,462	15,132	4,670	45%	F
Favourable variance is mainly due to unrealised gains on investments in a high interest rate environment.					

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B5-1 Material budget variations (continued)

$ '000	2025 Budget	2025 Actual	2025 Variance		
Expenses					
Employee benefits and on-costs	217,710	225,354	(7,644)	(4)%	U
Materials and services	236,994	230,070	6,924	3%	F
Borrowing costs	12,010	13,214	(1,204)	(10)%	U
Unfavourable variance is mainly due to more than budgeted interest expenses from variable rate loans.					
Depreciation, amortisation and impairment of non-financial assets	202,942	211,449	(8,507)	(4)%	U
Other expenses	47,217	46,110	1,107	2%	F
Net losses from disposal of assets	–	7,981	(7,981)	∞	U
Unfavourable variance is due to remaining written down value of planned asset renewals and remaining written down value of assets disposed prior to revaluation and annual fair value assessment.					
Statement of cash flows					
Cash flows from operating activities	334,843	346,887	12,044	4%	F
Cash flows from investing activities	(316,726)	(451,436)	(134,710)	43%	U
Variance due to an increase in the total cash and investment portfolio. Council manages the portfolio in accordance with Council's Investment Management Policy. Refer to Note C1-2 for further information.					
Cash flows from financing activities	19,320	19,002	(318)	(2)%	U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

$ '000	2025	2024
Cash assets		
Cash on hand and at bank	**15,678**	95,310
Deposits at call	**21,709**	27,624
Total cash and cash equivalents	**37,387**	122,934

Material accounting policy information
For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts, if utilised, are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Financial investments

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Financial assets at fair value through the profit and loss				
Government and Non-government Bonds	**12,647**	**29,895**	54,510	36,490
NCD's, FRN's	**149,789**	**312,003**	62,510	348,264
Total	**162,436**	**341,898**	117,020	384,754
Debt securities at amortised cost				
Long term deposits	**207,500**	**125,000**	140,000	35,000
Total financial investments	**369,936**	**466,898**	257,020	419,754

Material accounting policy information
Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification
On initial recognition, Council classifies its financial assets into the following categories – those measured at:
- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost
Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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C1-2 Financial investments (continued)

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss
All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRN's and NCD's in the Statement of Financial Position.

C1-3 Restricted and allocated cash, cash equivalents and investments

$ '000	2025	2024
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	**874,221**	799,708
Less: Externally restricted cash, cash equivalents and investments	**(581,500)**	(549,770)
Cash, cash equivalents and investments not subject to external restrictions	**292,721**	249,938

continued on next page ...

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

$ '000	2025	2024
External restrictions		
External restrictions included in cash, cash equivalents and investments above comprise:		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	**126,923**	111,997
Developer contributions – water	**20,044**	14,023
Developer contributions – sewer	**7,289**	18,913
Developer contributions – drainage	**39,232**	36,567
Developer contributions – VPA – general	**3,150**	2,969
Developer contributions – VPA – water	**1,155**	1,113
Developer contributions – VPA – sewer	**543**	523
Developer contributions – VPA - drainage	**1,503**	1,448
Developer contributions – bonus provisions	**6,976**	6,469
Developer Contributions – Sec 7.12 Levy	**43,919**	45,930
Specific purpose unexpended grants – general	**19,210**	22,302
Specific purpose unexpended grants – water	**2,255**	2,275
Specific purpose unexpended grants - sewer	**8,098**	9,141
Specific purpose unexpended grants - drainage	**32**	940
Cemeteries	**233**	582
Contributions to COSS	**7,422**	7,144
Crown land	**22,319**	2,206
Domestic waste management	**112,107**	116,121
Gosford CBD and parking station special rate levies	**330**	1,533
Holiday parks and camping ground [2]	**–**	15,820
Self insurance claims – water [1]	**–**	1,154
Self insurance claims – general [1]	**–**	9,368
Self insurance claims – sewer [1]	**–**	1,052
Stormwater management	**547**	547
Tourism levies	**3,207**	2,767
Water, Sewer and Drainage Funds	**154,219**	116,067
Other External Contributions	**787**	799
Total external restrictions	**581,500**	549,770

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

(1) Moved to Internal Restrictions in 24/25 FY

(2) Consolidated with Crown land in 24/25 FY

(b) Internal allocations

At 30 June, Council has internally allocated funds to the following:

Davistown Wetlands [2]	**–**	1,436
Drainage Licence Fee	**748**	772
Emergency services levy savings [2]	**–**	244
Employees leave entitlement	**12,931**	12,317
Employment generating projects [3]	**–**	2,656
Self insurance claims - general [1]	**12,249**	–
Self insurance claims - water [1]	**771**	–
Self insurance claims - sewer [1]	**926**	–
Property development [3]	**–**	1,065
Regional Library	**–**	9,237
Section 355/advances/deposits	**–**	264
Tip replacement/rehabilitation	**41,097**	37,269

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C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

Waste management infrastructure	**42,053**	32,920
Emergency loan repayments	**32,600**	15,800
Conservation Fund [2]	**3,451**	–
Strategic Priorities	**9,111**	7,297
Multi-year projects	**7,852**	5,804
Total internal allocations	**163,789**	127,081

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

(1) Moved to Internal Restrictions in 24/25 FY

(2) Amount moved to Conservation Fund (Internal Restriction) in 24/25 FY

(3) Amount moved to Strategic Priorities (Internal Restriction) in 24/25 FY

$ '000	**2025**	2024

(c) Unrestricted and unallocated

Unrestricted and unallocated cash, cash equivalents and investments	**128,932**	122,857

C1-4 Receivables

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Rates	**14,074**	**–**	12,517	–
Interest and extra charges	**2,810**	**–**	2,173	–
User charges and fees	**12,667**	**1,916**	12,683	2,093
Accrued revenues				
– Interest on investments	**9,915**	**–**	5,277	–
– User charges and fees	**16,173**	**–**	14,700	–
– Government subsidies	**2,219**	**–**	2,307	–
– Other income accruals	**2,005**	**–**	5,516	–
Government grants and subsidies	**1,532**	**–**	9,848	–
Net GST receivable	**6,483**	**–**	3,964	–
Waste management annual charge	**6,043**	**–**	4,623	–
Drainage annual charge	**2,156**	**–**	2,148	–
Water annual charge	**4,259**	**–**	3,165	–
Sewerage annual charge	**7,340**	**–**	7,318	–
Other debtors	**9,743**	**264**	6,633	277
Total	**97,419**	**2,180**	92,872	2,370
Less: provision for impairment				
Sundry debtors and other charges	**(673)**	**–**	(3,285)	–
Total provision for impairment – receivables	**(673)**	**–**	(3,285)	–
Total net receivables	**96,746**	**2,180**	89,587	2,370

Material accounting policy information

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1. When considering the ECL for rates and annual charges debtors, Council considers that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are beyond the applicable statute of limitations period, whichever occurs first. None of the receivables that have been written off are subject to enforcement activity.

Where Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

C1-5 Inventories

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
At cost				
Stores and materials	**1,534**	**–**	1,588	–
Total inventories	**1,534**	**–**	1,588	–

Material accounting policy information

Raw materials and stores, work in progress and finished goods
Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C1-6 Contract assets and Contract cost assets

Nil

C1-7 Non-current assets classified as held for sale

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Non-current assets held for sale				
Land	**12,309**	**–**	12,309	–
Buildings	**6,761**	**–**	6,761	–
Total non-current assets classified as held for sale	**19,070**	**–**	19,070	–

Details of assets held for sale

Non-current assets held for sale comprises one parcel of land, the Gosford Administration building and associated sites, the East Gosford Training Centre, and the Woy Woy Commuter Carpark. These assets have been deemed excess to Council's operational requirements and were available for sale and actively marketed as at 30 June 2025.

At the date of this Statement, Council has resolved to engage an agent to market the Gosford Administration site on the open market. There has also been a Council resolution to transfer the Woy Woy Commuter Carpark to Transport for NSW.

The remaining assets are expected to be settled during the financial year ending 30 June 2026.

Material accounting policy information

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2024			Asset movements during the reporting period							At 30 June 2025		
$ '000	Gross carrying amount	Accumulated depreciation and impairment [1]	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment [1]	Net carrying amount
Capital work in progress	251,136	–	251,136	226,885	71,357	–	–	(157,989)	–	–	391,390	–	391,390
Plant and equipment	116,920	(57,707)	59,213	–	1,071	(3,153)	(8,717)	20,202	1,104	–	126,760	(57,040)	69,720
Office equipment	13,700	(10,324)	3,376	–	–	(80)	(1,991)	679	–	–	13,963	(11,979)	1,984
Furniture and fittings	19,419	(9,681)	9,738	–	–	(620)	(1,521)	782	64	–	19,155	(10,712)	8,443
Land:													
– Operational land	456,644	–	456,644	–	–	–	–	35	(25)	(91)	456,563	–	456,563
– Crown and Community land	561,180	–	561,180	–	–	–	–	2,824	–	–	564,004	–	564,004
– Land under roads (post 30/6/08)	2,698	–	2,698	–	–	–	–	–	–	–	2,698	–	2,698
Land improvements – depreciable	25,630	(6,705)	18,925	–	–	(7)	(1,151)	2,002	6,449	–	34,222	(8,004)	26,218
Infrastructure:													
– Buildings – specialised	1,015,566	(427,345)	588,221	–	–	(2,078)	(19,714)	5,864	(21)	19,871	1,050,793	(458,650)	592,143
– Other structures	13,666	(4,013)	9,653	–	–	(22)	(627)	2,226	(28)	(22)	15,863	(4,683)	11,180
– Roads	2,574,764	(829,606)	1,745,158	–	2,774	(2,437)	(45,765)	23,844	(1,156)	750,244	3,640,190	(1,167,528)	2,472,662
– Bridges	95,895	(37,684)	58,211	–	885	(88)	(1,143)	2,438	7,283	4,356	119,424	(47,482)	71,942
– Footpaths	307,874	(120,833)	187,041	–	288	(289)	(4,225)	2,254	(8,206)	123,572	534,560	(234,125)	300,435
– Bulk earthworks (non-depreciable)	419,084	–	419,084	–	287	(187)	–	90	(5,479)	90,899	504,694	–	504,694
– Stormwater drainage	1,930,708	(610,661)	1,320,047	–	18,092	(178)	(15,394)	8,431	(547)	(123,801)	1,903,614	(696,964)	1,206,650
– Water supply network	2,695,551	(1,275,061)	1,420,490	–	1,321	(421)	(39,343)	23,743	(11)	34,740	2,785,833	(1,345,314)	1,440,519
– Sewerage network	2,839,384	(1,224,127)	1,615,257	–	1,787	(2,514)	(45,437)	51,501	55	40,240	2,956,418	(1,295,529)	1,660,889
– Swimming pools	11,067	(3,487)	7,580	–	–	–	(654)	139	–	–	11,206	(4,141)	7,065
– Other open space/recreational assets	279,436	(93,538)	185,898	–	–	(128)	(15,843)	10,686	107	(214)	289,303	(108,797)	180,506
– Other infrastructure	50,923	(16,030)	34,893	–	–	–	(2,226)	189	–	–	51,112	(18,256)	32,856
Other assets:													
– Library books	6,540	(4,558)	1,982	–	–	–	(674)	–	–	–	6,540	(5,232)	1,308
– Other	7,298	(3,393)	3,905	–	–	–	(146)	60	22	–	7,135	(3,294)	3,841
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	63,152	(34,236)	28,916	–	–	–	(3,606)	–	–	–	63,152	(37,842)	25,310
Total infrastructure, property, plant and equipment	13,758,235	(4,768,989)	8,989,246	226,885	97,862	(12,202)	(208,177)	–	(389)	939,794	15,548,592	(5,515,572)	10,033,020

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C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
$ '000	Gross carrying amount [1]	Accumulated depreciation and impairment [1]	Net carrying amount	Additions renewals	Additions new assets [1]	Carrying value of disposals	Depreciation expense [1]	WIP transfers	Adjustments and transfers	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount [1]	Accumulated depreciation and impairment [1]	Net carrying amount
Capital work in progress	212,248	–	212,248	170,683	59,718	–	–	(191,597)	84	–	251,136	–	251,136
Plant and equipment	108,372	(56,297)	52,075	–	1,498	(2,878)	(7,894)	16,417	–	–	116,920	(57,707)	59,213
Office equipment	19,381	(15,013)	4,368	–	–	–	(1,666)	675	–	–	13,700	(10,324)	3,376
Furniture and fittings	15,982	(8,147)	7,835	–	53	(16)	(1,590)	3,455	–	–	19,419	(9,681)	9,738
Land:													
– Operational land	475,202	–	475,202	–	–	–	–	–	(9,518)	(9,040)	456,644	–	456,644
– Crown and Community land	566,201	–	566,201	–	–	(2,712)	–	–	9,118	(11,427)	561,180	–	561,180
– Land under roads (post 30/6/08)	2,561	–	2,561	–	–	–	–	–	137	–	2,698	–	2,698
Land improvements – depreciable	22,870	(4,988)	17,882	–	–	–	(1,171)	984	–	1,230	25,630	(6,705)	18,925
Infrastructure:													
– Buildings – specialised	980,046	(405,400)	574,646	–	122	(283)	(18,720)	17,874	41	14,539	1,015,566	(427,345)	588,221
– Other structures	12,333	(3,457)	8,876	–	–	–	(641)	1,668	(250)	–	13,666	(4,013)	9,653
– Roads	2,395,513	(752,649)	1,642,864	–	9,760	(3,511)	(44,346)	59,614	(4,592)	85,372	2,574,764	(829,606)	1,745,158
– Bridges	89,504	(35,263)	54,241	–	–	(154)	(979)	2,286	–	2,817	95,895	(37,684)	58,211
– Footpaths	278,235	(110,762)	167,473	–	1,446	(111)	(3,921)	5,584	7,265	9,304	307,874	(120,833)	187,041
– Bulk earthworks (non-depreciable)	404,508	–	404,508	–	1,128	–	–	325	(2)	13,126	419,084	–	419,084
– Stormwater drainage	1,846,582	(577,888)	1,268,694	–	8,001	(1,396)	(14,380)	18,354	–	40,774	1,930,708	(610,661)	1,320,047
– Water supply network	2,554,805	(1,177,526)	1,377,279	–	1,363	(519)	(37,622)	11,526	–	68,464	2,695,551	(1,275,061)	1,420,490
– Sewerage network	2,666,950	(1,131,239)	1,535,711	–	2,075	(2,489)	(41,230)	43,874	–	77,316	2,839,384	(1,224,127)	1,615,257
– Swimming pools	9,982	(2,662)	7,320	–	–	–	(599)	407	(41)	493	11,067	(3,487)	7,580
– Other open space/recreational assets	228,282	(65,859)	162,423	–	292	(473)	(13,190)	6,884	–	29,967	279,436	(93,538)	185,898
– Other infrastructure	49,990	(13,331)	36,659	–	–	–	(2,052)	441	(2,422)	2,267	50,923	(16,030)	34,893
Other assets:													
– Library books	5,649	(3,817)	1,832	–	–	–	(741)	890	–	–	6,540	(4,558)	1,982
– Other	7,247	(3,218)	4,029	–	–	(2)	(175)	53	–	–	7,298	(3,393)	3,905
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	61,366	(30,664)	30,702	–	1,500	–	(3,577)	286	–	–	63,152	(34,236)	28,916
Total infrastructure, property, plant and equipment	13,013,809	(4,398,180)	8,615,629	170,683	86,956	(14,544)	(194,494)	–	(180)	325,202	13,758,235	(4,768,989)	8,989,246

(1) Restated 2023/24

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C1-8 Infrastructure, property, plant and equipment (continued)

Material accounting policy information

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Useful lives of IPPE

Land and bulk earthworks are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	**Other equipment**	Years
Office equipment	3 to 20	Playground equipment	7 to 50
Computer equipment	3 to 20		
Vehicles	2 to 25	**Buildings**	7 to 129
Heavy plant/road making equipment	6 to 25		
Other plant and equipment	2 to 37	**Land Improvements - depreciable**	6 to 100
Water and sewer assets		**Stormwater assets**	
Dams and reservoirs	12 to 200	Drains	16 to 120
Bores	15 to 30	Culverts	40 to 120
Reticulation pipes	5 to 200	Flood mitigation	20 to 120
Transportation assets		**Other infrastructure assets**	
Sealed roads	4 to 160	Swimming pools	5 to 100
Unsealed roads	30 to 160	Other infrastructure	10 to 100
Bridges	50 to 100		
Footpaths	12 to 83	Library books	5
		Other	6 to 500
Tip assets	4 to 50		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Planning, Housing and Infrastructure.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

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C1-8 Infrastructure, property, plant and equipment (continued)

Crown reserves
Crown reserves under Council's care and control are recognised as assets of Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 *Leases*, refer to Note C2-1.

Improvements on Crown reserves are recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

C1-9 Intangible assets

Intangible assets

$ '000	2025	2024
Software		
Opening values at 1 July		
Gross book value	**30,596**	30,466
Accumulated amortisation and impairment	**(14,131)**	(11,012)
Net book value – opening balance	**16,465**	19,454
Movements for the year		
WIP - net movement	**–**	1
Development costs	**–**	129
Amortisation charges	**(2,614)**	(3,119)
Cost written off	**4,007**	–
Accumulated amortisation and impairment written off	**(4,007)**	–
Closing values at 30 June		
Gross book value	**26,589**	30,596
Accumulated amortisation and impairment	**(12,738)**	(14,131)
Total software – net book value	**13,851**	16,465
Total intangible assets – net book value	**13,851**	16,465

Material accounting policy information

Software
Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from five to ten years.

C1-10 Other

Other assets

$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Prepayments		**15,539**	**–**	6,171	–
Investment in the Art House	D2-1	**–**	**725**	–	427
Total other assets		**15,539**	**725**	6,171	427

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over a range of assets including land and buildings and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Buildings
Council leases land and buildings to support some of its operational activities. The leases are generally between 3 and 50 years with one containing a renewal option to allow Council to renew the non-cancellable lease term at their discretion. A number of leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Office and IT equipment
Leases for office and IT equipment are generally for low value assets, except for significant items. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

Extension options
Council includes options in the building leases to provide flexibility and certainty to Council operations; the extension options are at Council's discretion. At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

(a) Right of use assets

$ '000	Plant and Equipment	Right-of-Use Assets	Total
2025			
Opening balance at 1 July	**–**	**4,946**	**4,946**
Adjustments due to re-measurement of lease liability	**–**	**50**	**50**
Depreciation charge	**–**	**(658)**	**(658)**
Balance at 30 June	**–**	**4,338**	**4,338**
2024			
Opening balance at 1 July	–	5,597	5,597
Adjustments due to re-measurement of lease liability	–	(77)	(77)
Depreciation charge	–	(574)	(574)
Balance at 30 June	–	4,946	4,946

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C2-1 Council as a lessee (continued)

(b) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2025					
Cash flows	**587**	**1,734**	**2,952**	**5,273**	**5,275**
2024					
Cash flows	479	1,855	3,460	5,794	5,794

(c) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

$ '000	2025	2024
Interest on lease liabilities	**255**	272
Depreciation of right of use assets	**658**	573
Expenses relating to short-term leases	**1,109**	1,199
Expenses relating to leases of low-value assets	**7**	7
Expenses relating to Peppercorn leases	**5**	4
Variable lease expenses relating to usage	**100**	49
	2,134	2,104

(d) Statement of Cash Flows

Total cash outflow for leases	**2,012**	2,023
	2,012	2,023

(e) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- libraries
- child care centres
- youth centres
- boat ramps

The leases are generally between 10 and 99 years and require payments of a maximum amount of $1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases. None of the leases in place are individually material from a statement of financial position or performance perspective.

Material accounting policy information

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

continued on next page ...

C2-1 Council as a lessee (continued)

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting
Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / Concessionary leases
Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C2-2 Council as a lessor

Operating leases

Council leases out a number of outdoor spaces and properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- property, plant and equipment – where the rental is incidental, or the asset is held to meet Council's service delivery objective (refer note C1-8).

$ '000	2025	2024
Assets held as property, plant and equipment		
Council provides operating leases on Council buildings for the purpose of recreational activities, the table below relates to operating leases on assets disclosed in C1-8.		
Properties not held for investment	**6,209**	5,482
Room / Facility hire	**4,718**	4,504
Outdoor space	**206**	180
Other	**143**	139
Total income relating to operating leases for Council assets	**11,276**	10,305

continued on next page ...

C2-2 Council as a lessor (continued)

$ '000	2025	2024
Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:		
< 1 year	**5,131**	4,964
1–2 years	**5,285**	5,113
2–3 years	**5,443**	5,267
3–4 years	**5,607**	5,425
4–5 years	**5,775**	5,587
Total undiscounted lease payments to be received	**27,241**	26,356

Material accounting policy information

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and if applicable, as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Payables				
Goods and services	**42,168**	**–**	28,218	–
Prepaid rates and annual charges	**16,663**	**–**	15,724	–
Accrued expenses:				
– Interest on borrowings	**1,100**	**–**	654	–
– Salaries and wages	**7,872**	**–**	4,931	–
– Other expenditure accruals	**33,504**	**–**	35,984	–
Security bonds, deposits and retentions	**3,503**	**–**	3,612	–
Developer bonds	**6,491**	**–**	7,654	–
Overpayments	**1,880**	**–**	1,113	–
Other payables	**228**	**–**	372	–
Total payables	**113,409**	**–**	98,262	–

Current payables not expected to be settled within the next twelve months

$ '000	2025	2024
Payables	**27,296**	27,023
Total payables	**27,296**	27,023

Material accounting policy information

Council meaures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Payables represent liabilities for goods and services provided to Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

C3-2 Contract Liabilities

$ '000	Notes	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	**19,423**	**6,865**	22,086	6,761
Unexpended operating grants (received prior to performance obligation being satisfied) - AASB 15	(ii)	**3,307**	**–**	5,810	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	**209**	**2,003**	463	2,094
Unexpended operating contributions (received prior to performance obligation being satisfied) - AASB 15	(ii)	**578**	**–**	656	–
Total grants and contributions received in advance		**23,517**	**8,868**	29,015	8,855
User fees and charges received in advance:					
Upfront fees – leisure centre	(iii)	**33**	**–**	32	–
Deposits received in advance of services provided		**3,506**	**610**	3,262	688
Total user fees and charges received in advance		**3,539**	**610**	3,294	688
Total contract liabilities		**27,056**	**9,478**	32,309	9,543

Notes

(i) Council has received funding to construct assets including sporting facilities, regional library, open space areas and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants and contributions received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) Upfront membership fees for Council's leisure centres do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

Revenue recognised that was included in the contract liability balance at the beginning of the period

$ '000	2025	2024
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	**10,036**	4,739
Operating grants (received prior to performance obligation being satisfied)	**3,287**	8,069
Capital contributions (to construct Council controlled assets)	**–**	–
Operating contributions (received prior to performance obligation being satisfied)	**160**	204
User fees and charges received in advance:		
Upfront fees – leisure centre	**32**	42
Total revenue recognised that was included in the contract liability balance at the beginning of the period	**13,515**	13,054

Significant changes in contract liabilities

During the financial year Council received additional capital grants relating to Sewer Treatment Plant Upgrade, Construction of Sporting Complex and Roads and Bridges Programs that will be spent over several years.

Material accounting policy information

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring

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C3-2 Contract Liabilities (continued)

a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Loans – secured [1]	**65,921**	**145,491**	20,206	171,414
Total borrowings	**65,921**	**145,491**	20,206	171,414

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

$ '000	2024 Opening Balance	Cash flows	Non-cash movements: Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement (Lease Liability Remeasurement)	2025 Closing balance
Loans – secured	191,620	**19,792**	**–**	**–**	**–**	**–**	**211,412**
Lease liability (Note C2-1)	5,794	**(790)**	**–**	**–**	**–**	**271**	**5,275**
Total liabilities from financing activities	197,414	**19,002**	**–**	**–**	**–**	**271**	**216,687**

$ '000	2023 Opening Balance	Cash flows	Non-cash movements: Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement (Lease Liability Remeasurement)	2024 Closing balance
Loans – secured	285,864	(94,244)	–	–	–	–	191,620
Lease liability (Note C2-1)	6,364	(764)	–	–	–	194	5,794
Total liabilities from financing activities	292,228	(95,008)	–	–	–	194	197,414

(b) Financing arrangements

$ '000	2025	2024
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Loan drawdown facilities	**50,000**	50,000
Credit cards/purchase cards	**582**	563
Master lease facilities	**1,940**	5,023
Total financing arrangements	**52,522**	55,586
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Loan drawdown facilities	**50,000**	10,000
– Credit cards/purchase cards	**179**	114
– Master lease facilities	**1,915**	4,099
Total drawn financing arrangements	**52,094**	14,213
Undrawn facilities		
Undrawn financing facilities available to Council at the reporting date are:		
– Loan drawdown facilities	**–**	40,000
– Credit cards/purchase cards	**403**	449
– Master lease facilities	**25**	924
Total undrawn financing arrangements	**428**	41,373

Additional financing arrangements information

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C3-3 Borrowings (continued)

Breaches and defaults
During the current and prior year, there were no defaults or breaches on any loans.

Security over loans
Loans are secured over future cash flows of the Council
Lease liabilities are secured by the underlying leased assets.

Bank overdrafts
The bank overdraft facility may be drawn at any time.
It may also be terminated by the bank without notice.

Material accounting policy information

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-4 Employee benefit provisions

$ '000	2025 Current	2025 Non-current	2024 Current	2024 Non-current
Annual leave	**17,491**	**–**	17,279	–
Vested sick leave	**5,895**	**–**	5,722	–
Long service leave	**37,437**	**–**	34,280	–
Other leave	**2,128**	**–**	1,610	–
Total employee benefit provisions	**62,951**	**–**	58,891	–

Current employee benefit provisions not expected to be settled within the next twelve months

$ '000	2025	2024
Provisions – employees benefits	**36,695**	33,335
	36,695	33,335

Material accounting policy information

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations
Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations
The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs
The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

C3-5 Provisions

$ '000	2025 Current	2025 Non-Current	2024 Current	2024 Non-Current
Self insurance – workers compensation	**2,675**	**11,273**	3,334	8,798
Self insurance – public liability	**2,143**	**–**	2,377	–
Self insurance – other	**64**	**–**	2	–
Payroll tax	**–**	**–**	531	–
Asset remediation/restoration	**3,360**	**78,259**	3,977	78,025
Total provisions	**8,242**	**89,532**	10,221	86,823

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C3-5 Provisions (continued)

Movements in provisions

	Other provisions			
$ '000	Self insurance	Asset remediation	Payroll Tax and Other	Total
2025				
At beginning of year	**14,511**	**82,002**	**531**	**97,044**
Changes to provision:				
– Amounts capitalised	**–**	**–**	**–**	**–**
– Revised discount rate	**–**	**(2,773)**	**–**	**(2,773)**
– Revised costs	**–**	**380**	**–**	**380**
Unwinding of discount	**–**	**3,135**	**–**	**3,135**
Additional provisions	**6,592**	**–**	**2,298**	**8,890**
Amounts used (payments)	**(4,948)**	**(1,125)**	**(2,829)**	**(8,902)**
Total	**16,155**	**81,619**	**–**	**97,774**
2024				
At beginning of year	12,222	78,936	424	91,582
Changes to provision:				
– Amounts capitalised	–	1,500	–	1,500
– Revised discount rate	–	(1,747)	–	(1,747)
– Revised costs	–	1,482	–	1,482
– Revised life	–	–	–	–
Unwinding of discount	–	2,797	–	2,797
Additional provisions	6,294	–	2,395	8,689
Amounts used (payments)	(4,005)	(966)	(2,288)	(7,259)
Total	14,511	82,002	531	97,044

Nature and purpose of provisions

Asset remediation
The asset remediation provision represents the present value estimate of future costs that Council will incur to restore, rehabilitate and reinstate tips as a result of past operations.

Self-insurance
To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Payroll tax and other
To recognise liabilities for miscellaneous employee provisions not relating to leave entitlements and outstanding payroll tax arising from Council's water, sewer, cemetery and parking station activities.

Material accounting policy information

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

Asset remediation - tips

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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C3-5 Provisions (continued)

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Self-insurance

Council has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3.

Self Insurance Provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council being a self insurer for Workers Compensation Claims.

Public Liability and Professional Indemnity claims are expensed as they meet the recognition criteria as set out in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

- A wage inflation index was used for future claims escalation. A bond yield of between 0.850% and 3.845% per annum over a 50 year period.

- All monetary amounts for past Workers Compensation claims were indexed to bring them to 'standardised' values at 30 June 2025.

- Workers Compensation claim payments projected into the future by the adopted actuarial model are in 'standardised' values as at 30 June 2025.

The last actuarial assessment of Workers Compensation Claims was undertaken in July 2025 and was performed by David A Zaman Pty Ltd. Director David Zaman, BSc, FIA, FIAA, MBA.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation Surplus

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water, sewer, drainage and domestic waste. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water, sewer, drainage and domestic waste columns are restricted for use for these activities.

D1-1 Income Statement by fund

$ '000	Drainage 2025	Domestic Waste 2025	General 2025	Water 2025	Sewer 2025
Income from continuing operations					
Rates and annual charges	21,218	82,301	225,328	50,958	79,802
User charges and fees	–	81	80,900	74,549	25,700
Interest and investment income	369	520	31,781	4,279	8,113
Other revenues	13	–	16,407	270	566
Grants and contributions provided for operating purposes	1,595	–	42,654	95	51
Grants and contributions provided for capital purposes	19,757	–	86,736	9,992	12,971
Other income	–	–	15,132	–	–
Total income from continuing operations	42,952	82,902	498,938	140,143	127,203
Expenses from continuing operations					
Employee benefits and on-costs	2,660	896	178,109	19,831	23,858
Borrowing costs	341	–	3,465	7,903	1,505
Materials and services	9,069	81,491	43,907	44,434	51,169
Other expenses	9	–	45,543	99	459
Net losses from the disposal of assets	178	–	4,868	421	2,514
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	12,257	82,387	275,892	72,688	79,505
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	30,695	515	223,046	67,455	47,698
Depreciation, amortisation and impairment of non-financial assets	15,383	–	109,747	40,081	46,238
Operating result from continuing operations	15,312	515	113,299	27,374	1,460
Net operating result for the year attributable to Council	15,312	515	113,299	27,374	1,460

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D1-1 Income Statement by fund (continued)

$ '000	Drainage 2025	Domestic Waste 2025	General 2025	Water 2025	Sewer 2025
Net operating result for the year before grants and contributions provided for capital purposes	**(4,445)**	**515**	**26,563**	**17,382**	**(11,511)**

D1-2 Statement of Financial Position by fund

$ '000	Drainage 2025	Domestic Waste 2025	General 2025	Water 2025	Sewer 2025
ASSETS					
Current assets					
Cash and cash equivalents	257	3,193	25,365	4,694	3,878
Investments	4,378	54,409	165,075	79,989	66,085
Receivables	2,445	6,407	39,882	32,050	15,962
Inventories	–	–	1,534	–	–
Other	–	–	15,425	57	57
Non-current assets classified as held for sale	–	–	18,590	–	480
Total current assets	7,080	64,009	265,871	116,790	86,462
Non-current assets					
Investments	95	54,543	332,979	547	78,734
Receivables	1	2	(5,555)	25	7,707
Infrastructure, property, plant and equipment	1,238,846	–	5,422,464	1,578,158	1,793,552
Intangible assets	–	–	13,851	–	–
Right of use assets	–	–	3,828	255	255
Other	–	–	725	–	–
Total non-current assets	1,238,942	54,545	5,768,292	1,578,985	1,880,248
Total assets	1,246,022	118,554	6,034,163	1,695,775	1,966,710
LIABILITIES					
Current liabilities					
Payables	363	4,624	80,251	14,922	13,249
Contract liabilities	132	–	18,750	–	8,174
Borrowings	27,030	–	10,434	24,787	3,670
Lease liabilities	–	–	337	125	125
Employee benefit provisions	108	189	50,599	6,970	5,085
Provisions	–	–	7,612	216	414
Total current liabilities	27,633	4,813	167,983	47,020	30,717
Non-current liabilities					
Contract liabilities	455	–	5,944	2,255	824
Lease liabilities	–	–	4,300	194	194
Borrowings	4,964	–	(12,006)	128,119	24,414
Provisions	–	–	87,944	962	626
Total non-current liabilities	5,419	–	86,182	131,530	26,058
Total liabilities	33,052	4,813	254,165	178,550	56,775
Net assets	1,212,970	113,741	5,779,998	1,517,225	1,909,935
EQUITY					
Accumulated surplus	1,067,722	113,741	3,956,025	1,003,880	1,541,445
IPPE revaluation reserves	145,248	–	1,823,973	513,345	368,490
Total equity	1,212,970	113,741	5,779,998	1,517,225	1,909,935

D1-3 Details of internal loans

Details of individual internal loans	Council ID / Ref 2013 GF-WF	Council ID / Ref 2015 SF-WF	Council ID / Ref 2015 GF-WF
Borrower (by purpose)	Water Fund	Water Fund	Water Fund
Lender (by purpose)	General Fund	Sewer Fund	General Fund
Date of Minister's approval	N/A	27/05/2015	N/A
Date raised	30/06/2013	27/05/2015	31/05/2015
Term years	20	20	20
Dates of maturity	30/06/2033	21/02/2035	26/05/2035
Rate of interest (%)	5.39	5.39	5.39
Amount originally raised	20,000,000	10,000,000	10,000,000
Total repaid during year (principal and interest) ($'000)	1,666,903	833,097	832,167
Principal outstanding at end of year ($'000)	10,744,487	6,285,735	6,400,516

Details of individual internal loans	Council ID / Ref 2023 GF-DF	Council ID / Ref 2024 GF-DF
Borrower (by purpose)	Drainage Fund	Drainage Fund
Lender (by purpose)	General Fund	General Fund
Date of Minister's approval	N/A	N/A
Date raised	30/06/2023	30/06/2024
Term years	1	1
Dates of maturity	30/06/2024	30/06/2025
Rate of interest (%)	Nil	Nil
Amount originally raised	25,702,956	25,702,956
Total repaid during year (principal and interest) ($'000)	25,702,956	0
Principal outstanding at end of year ($'000)	0	25,702,956

D2 Interests in other entities

D2-1 Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described below.

Name of Operation/Entity	Principal activity
The Art House, Wyong Shire Performing Arts and Conference Centre Limited	Operations undertaken - Performing Arts Place of business - 19-21 Margaret Street, Wyong

Interests in Subsidiary	Ownership 2025	Ownership 2024	Principal place of business	Voting rights 2025	Voting rights 2024
Council's interest in Subsidiary	**100%**	100%		**100%**	100%

The nature of risks associated with Council's interests in the Subsidiary
The Art House is managed by an independent Incorporated Association with Council as a board member via a funding agreement with Council. The Art House delivers its services through a formal agreement with Council. This provides The Art House with the required autonomy and sector peer involvement to service the creative, media and business sectors as well as deliver a creative entertainment program for local, regional and national markets. Its performance is monitored via clear Key Performance Indicators (KPIs). Business Plan targets are reported to Council as required.

Council does not control the Art House or its activities, however through Board representation, Council does have significant influence over the Art House's relevant activities.

Council provided financial support of $1.21M during the financial year ($1.0M indexed per annum for ten years from 2015/16 onwards).

Reporting dates of Subsidiary
The Art House prepares audited financial statements on a calendar year basis.

Summarised financial information for the Subsidiary

$ '000	2025	2024
Summarised statement of comprehensive income		
Revenue	**3,509**	3,006
Expenses	**(3,211)**	(3,242)
Profit/(loss) for the period	**298**	(236)
Total comprehensive income	**298**	(236)
Summarised statement of financial position		
Current assets	**1,779**	1,705
Non-current assets	**135**	26
Total assets	**1,914**	1,731
Current liabilities	**1,149**	1,258
Non-current liabilities	**40**	46
Total liabilities	**1,189**	1,304
Net assets	**725**	427

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D2-1 Subsidiaries (continued)

$ '000	2025	2024
Summarised statement of cash flows		
Cash flows from operating activities	**184**	220
Cash flows from investing activities [1]	**(127)**	(19)
Cash flows from financing activities [1]	**(4)**	8
Net increase (decrease) in cash and cash equivalents	**53**	209

(1) Restated 2023-24

Material accounting policy information

Subsidiaries are all entities (including structured entities) over which the Council has control. Control is established when the Council is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements. Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. Council manages the cash and investments portfolio taking into consideration information provided by independent investment experts. Council has an investment policy which complies with s625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is in accordance with policies approved by Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – interest rate and price risk

$ '000	2025	2024
The impact on the result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	**8,742**	7,729
Impact of a 10% movement in price of investments		
– Equity / Income Statement	**87,422**	77,288

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E1-1 Risks relating to financial instruments held (continued)

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

Council makes suitable provision for doubtful receivables as required.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables - Rates and Annual Charges
Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

		Overdue rates and charges		
$ '000	Not yet due	< 5 years	> 5 years	Total
2025				
Gross carrying amount	**8,489**	**24,936**	**447**	**33,872**
2024				
Gross carrying amount	7,383	22,388	–	29,771

Receivables - non-rates and annual charges and contract assets
Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

		Overdue debts				
$ '000	Not yet due	< 30 days	31 - 60 days	61 - 90 days	> 90 days	Total
2025						
Gross carrying amount	**9,413**	**4,937**	**1,303**	**1,405**	**48,668**	**65,726**
Expected loss rate (%)	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.38%**	**1.02%**
ECL provision	**–**	**–**	**–**	**–**	**672**	**672**
2024						
Gross carrying amount	(18,470)	13,746	10,482	1,615	58,098	65,471
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	5.65%	5.01%
ECL provision	–	–	–	–	3,285	3,285

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E1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

Council regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

$ '000	Weighted average interest rate	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash outflows	Carrying values
2025						
Payables	**0.00%**	**86,751**	**26,658**	**–**	**113,409**	**113,409**
Borrowings	**4.26%**	**75,577**	**99,400**	**111,539**	**286,516**	**211,412**
Total financial liabilities		**162,328**	**126,058**	**111,539**	**399,925**	**324,821**
2024						
Payables	0.00%	71,271	26,990	–	98,261	98,262
Borrowings	3.99%	28,682	104,657	122,011	255,350	191,620
Total financial liabilities		99,953	131,647	122,011	353,611	289,882

E2-1 Fair value measurement

Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment
– Financial assets

During the reporting period Council has also measured the following assets at fair value on a non-recurring basis:

– Non-current assets classified as held for sale

Where the carrying value of a non-current asset held for sale was higher than its fair value, the asset was written down to fair value.

Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

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E2-1 Fair value measurement (continued)

		Fair value measurement hierarchy							
		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total [1]	
$ '000	Notes	2025	2024	2025	2024	2025	2024	2025	2024
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
At fair value through profit or loss		**504,334**	501,774	**–**	–	**–**	–	**504,334**	501,774
Total financial assets		**504,334**	501,774	**–**	–	**–**	–	**504,334**	501,774
Infrastructure, property, plant and equipment	C1-8								
Plant and equipment		**–**	–	**–**	–	**69,720**	59,213	**69,720**	59,213
Office equipment		**–**	–	**–**	–	**1,984**	3,376	**1,984**	3,376
Furniture and fittings		**–**	–	**–**	–	**8,443**	9,738	**8,443**	9,738
Operational land		**–**	–	**–**	–	**456,563**	456,644	**456,563**	456,644
Crown and Community land		**–**	–	**–**	–	**564,004**	561,180	**564,004**	561,180
Land under Roads		**–**	–	**–**	–	**2,698**	2,698	**2,698**	2,698
Land improvements – depreciable		**–**	–	**–**	–	**26,218**	18,925	**26,218**	18,925
Buildings – specialised		**–**	–	**–**	–	**592,143**	588,221	**592,143**	588,221
Other structures		**–**	–	**–**	–	**11,180**	9,653	**11,180**	9,653
Roads		**–**	–	**–**	–	**2,472,662**	1,745,158	**2,472,662**	1,745,158
Bridges		**–**	–	**–**	–	**71,942**	58,211	**71,942**	58,211
Footpaths		**–**	–	**–**	–	**300,435**	187,041	**300,435**	187,041
Bulk earthworks – non depreciable		**–**	–	**–**	–	**504,694**	419,084	**504,694**	419,084
Stormwater drainage		**–**	–	**–**	–	**1,206,650**	1,320,047	**1,206,650**	1,320,047
Water supply network		**–**	–	**–**	–	**1,440,519**	1,420,490	**1,440,519**	1,420,490
Sewerage network		**–**	–	**–**	–	**1,660,889**	1,615,257	**1,660,889**	1,615,257
Swimming pools		**–**	–	**–**	–	**7,065**	7,580	**7,065**	7,580
Other open space/recreational assets		**–**	–	**–**	–	**180,506**	185,898	**180,506**	185,898
Other infrastructure		**–**	–	**–**	–	**32,856**	34,893	**32,856**	34,893
Library books		**–**	–	**–**	–	**1,308**	1,982	**1,308**	1,982
Other		**–**	–	**–**	–	**3,841**	3,905	**3,841**	3,905
Tip assets		**–**	–	**–**	–	**25,310**	28,916	**25,310**	28,916
Total infrastructure, property, plant and equipment	C1-8	**–**	–	**–**	–	**9,641,630**	8,738,110	**9,641,630**	8,738,110
Non-recurring fair value measurements									
Non-current assets held for sale	C1-7								
Land		**–**	–	**12,309**	12,309	**–**	–	**12,309**	12,309
Buildings		**–**	–	**6,761**	6,761	**–**	–	**6,761**	6,761
Plant		**–**	–	**–**	–	**–**	–	**–**	–
Total non-recurring fair value measurements		**–**	–	**19,070**	19,070	**–**	–	**19,070**	19,070

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E2-1 Fair value measurement (continued)

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises unobservable inputs (level 3 inputs).

Infrastructure, property, plant and equipment (IPPE)

Plant and equipment, office equipment, furniture and fittings
Plant and equipment, office equipment, furniture and fittings assets are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items, therefore these assets are disclosed at fair value in the notes.

These asset categories include:

- plant and equipment
  - o Major plant items – tractors, excavators, street sweepers, tippers, rollers, forklifts, backhoes, beach cleaners and weed harvester
  - o Minor plant items – generators, mowers, trailers, chainsaws, wood chippers and power hand tools
  - o Fleet vehicles – trucks, commercial vehicles and passenger vehicles
- office equipment – computer hardware, communications equipment, digital cameras
- furniture and fittings – work stations, CCTV, air conditioning units.

The unobservable level 3 inputs used include:

- pattern of consumption
- useful life
- residual value.

Council reviews the value of these assets based on the gross replacement cost of similar assets.

There has been no change to the valuation process during the reporting period.

Operational land
This asset class is comprised of all Council's land classified as Operational Land under the *Local Government Act 1993*. Council's accounting policy is to value the freehold land at market value basis.

Council engaged Scott Fullarton Valuation Pty Ltd to value operational land in 2023. The land was valued using level 3 inputs that would be taken into account by buyers and sellers in setting the price, including but not limited to dimensions, land use and zoning, exposure to traffic and topography.

This asset class was assessed for fair value at 30 June 2025 using the movement in NSW Valuer General's valuations. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

Crown and Community land
Community Land assets are comprised of Council owned land classified as Community Land under the *Local Government Act 1993*. Crown land is under the care and management of Council on behalf of the Crown.

Council's accounting policy is to value Crown and Community land based on the unimproved land values provided by the Valuer General or an average unit rate based on the land values for similar properties (land use, land size, shape and location).

These are considered level 3 observable inputs.

This asset class was assessed for fair value at 30 June 2025 using the movement in NSW Valuer General's valuations. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly

Land under roads
Land under roads consists of land under roadways and road reserves including land under footpaths, nature strips and median strips as per AASB 1051. Council has elected not to recognise as an asset land under roads acquired before 1 July 2008.

Land under roads acquired since 1 July 2008 has been recognised in accordance with AASB 116 Property, Plant and Equipment. Where Council has acquired land under roads it is recognised at cost where the cost represents fair value. Where the land under roads is dedicated or acquired at nominal value the land is recognised at its fair value.

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E2-1 Fair value measurement (continued)

Land under roads has been valued at 30 June 2025 using the Englobo method (which is a discounted method) and VG valuations published on 1 July 2024.

There has been no change to the valuation process during the reporting period.

Land improvements
This asset class is comprised of landscaping, estuary protection works, access works, water features and paved public areas.

This asset class is classified as Level 3 as significant inputs used in the valuation are unobservable.

Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

Buildings – specialised
It is Council's accounting policy to value buildings for which a market exists using the best estimate of the price reasonably obtainable in the market at the date of valuation. Where no market exists the fair value will be determined on the depreciated current replacement cost basis.

The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting equipment, and general lighting). The buildings and site improvements will be physically inspected and measured.

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are unobservable.

Council engaged Scott Fullarton Valuation Pty Ltd to value all buildings in 2023. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account Council's asset management practices.

Outputs (such as estimates of residual value, useful life, asset condition and componentisation including the split between short and long life components) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, this asset class has been valued utilising Level 3 inputs.

This asset class was assessed for fair value at 30 June 2025 using the movement in the NSW Non-residential construction index since June 2024. The movement was considered material and the carrying value of this asset class was adjusted accordingly.

Other structures
This asset class is comprised of holiday park structures, cemetery assets, water tanks, fountains, fencing and structures which do not meet the definition of a building and are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

The replacement cost approach will be utilised to value other structures. Unobservable Level 3 inputs used include useful life, asset condition and pattern of consumption.

There has been no change to the valuation process during the reporting period.

Roads
This asset class is comprised of the road carriageway, car parks, and other road related assets. Council's roads are separated into segments for inspection and valuation and componentised into the surface, sub-base, base and associated earthworks. Other road related assets include bus shelters, footpaths, guard rails, speed humps, kerb and gutter, medians, pedestrian refuges and roundabouts.

Council engaged APV Valuers to value all Roads Infrastructure assets at 30 June 2025. The gross replacement cost for each asset was calculated using the current replacement cost approach.

Unit rates were developed for each road classification and traffic volume, based on data available including the cost to construct similar assets from actual contract rates and industry unit rates. Some of the other significant inputs are remaining useful life, pattern of consumption, dimensions and road classification.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bridges
This asset class is comprised of road and foot bridges.

Council engaged APV Valuers to value all bridges at 30 June 2025. The gross replacement cost for each asset was calculated using the current replacement cost approach.

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E2-1 Fair value measurement (continued)

Bridges are assessed by physical inspection in accordance with Transport for NSW guidelines. Condition information is updated as changes are observed through regular inspections.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Footpaths
This asset class is comprised of pedestrian walkways and cycle ways (shared paths).

Council engaged APV Valuers to value all footpaths as at 30 June 2025. The gross replacement cost for each asset was calculated using the replacement cost approach.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bulk earthworks (non-depreciable)
This asset class contains the formation costs for roads and buildings. Buildings and sporting facilities are recognised and valued at cost and Council assumes that the carrying amount reflects the fair value of these assets.

This asset class has been recognised as non-depreciable as it is not expected that bulk earthworks will need to be renewed during the normal operational use of the assets.

Council engaged APV Valuers to value all bulk earthworks as at 30 June 2025. The gross replacement cost for each asset was calculated using the replacement cost approach.

Stormwater drainage
The Stormwater drainage asset class consists of Council's pits, pipes, detention basins, open drains, culverts, floodgates, wetlands, headwalls and gross pollutant traps.

Council engaged APV Valuers to value all drainage assets as at 30 June 2025. The gross replacement cost for each asset was calculated using the replacement cost approach.

Significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Water supply network
This asset class is comprised of water treatment plants, water pump stations, reservoirs, water mains, tunnels, dams, weirs and water meters.

Council engaged external consultants GHD, to undertake the valuation of all water supply infrastructure assets at 30 June 2021. The gross replacement cost for each asset was calculated using the current replacement cost approach. Significant inputs considered in the valuation of these assets are remaining useful life, asset condition, unit rates and pattern of consumption.

There has been no change to the valuation process during the reporting period.

This asset class was indexed at 30 June 2025 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

Sewerage network
This asset class is comprised of sewer treatment plants, sewer pump stations, sewer vacuum systems and sewer mains.

Council engaged external consultants GHD, to undertake the valuation of all sewerage network assets at 30 June 2021. The gross replacement cost for each asset asset was calculated using the current replacement cost approach. Significant inputs considered in the valuation of these assets are remaining useful life, asset condition, unit rates and pattern of consumption.

This asset class was indexed at 30 June 2025 using the applicable rate as published in the NSW Reference Rates manual and the carrying value of the assets were adjusted accordingly.

Swimming pools
Assets within this class are comprised of ocean baths, swimming pools and associated structures.

Council engaged Scott Fullarton Valuations Pty Ltd to undertake a comprehensive valuation of this asset class in 2022.

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E2-1 Fair value measurement (continued)

The gross replacement cost approach was utilised to value this asset class. This approach estimates the gross replacement cost based on current replacement cost approach. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2025 using the movement in the NSW Non-residential construction index since June 2024. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

Other open space/recreational assets
This asset class is comprised of life guard towers, tennis courts, athletics tracks, picnic shelters, playground equipment, skate parks, fencing and sporting facilities.

Council engaged Scott Fullarton Valuations to value Open Space and Recreational assets as at 30 June 2022. This asset class was be valued using the crrent replacement cost approach.

Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption and asset condition. Asset conditions are determined by field inspections using ratings of 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

This asset class was assessed for fair value at 30 June 2025 using the movement in the NSW Non-residential construction index since June 2024. The movement was not considered material and the carrying value of this asset class is unadjusted accordingly.

Library books
Assets included in this asset class consist of library books, journals, magazines, CDs and DVDs which are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. There are no major variances between the fair value and carrying amount of these assets and these assets are disclosed at fair value in the notes.

Whilst these assets are recognised at cost with supporting supplier invoices (observable input) the remaining significant inputs (useful life, pattern of consumption and asset condition) are unobservable and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

Other assets
Other assets include miscellaneous assets which are recognised and valued at cost including the Heritage Collection which comprises artwork and sculptures. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items.

The replacement cost or insured value approach will be utilised to value other assets. Significant unobservable inputs considered in the valuation of these assets are useful life, pattern of consumption and asset condition and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

Tip asset
This asset class includes the tip cells at Council's Waste Facilities which is recognised and valued at cost.
Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the item.
Significant unobservable inputs considered in the valuation of these assets are useful life and pattern of consumption and therefore categorised as Level 3. There has been no change to the valuation process during the reporting period.

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E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant and equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Office equipment	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Furniture and fittings	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value
Operational land	Market value	The market value of land varies significantly depending on the location of the land and current market conditions.
Crown and Community land	Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Land under Roads	Land values obtained from the NSW Valuer-General	Extent and impact of use, market cost of land per square metre, restrictions
Land improvements	Cost approach	Pattern of consumption, useful life and residual value
Buildings	Market / cost approach	Current replacement cost of equivalent asset using componentisation, asset condition, remaining life and residual value.
Other structures	Cost approach	Current replacement cost of equivalent asset using componentisation, asset condition, remaining life and residual value.
Roads	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bridges	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Footpaths	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Bulk earthworks	Cost approach	Useful life, pattern of consumption and asset condition
Stormwater drainage	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Water supply network	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Sewerage network	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Swimming pools	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Open space / recreational	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives

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E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Other infrastructure	Cost approach	Current replacement cost of modern equivalent asset, asset condition, and remaining lives
Library books	Cost approach	Useful life, pattern of consumption and asset condition
Other	Cost approach	Useful life, pattern of consumption and asset condition
Tip assets	Cost approach	Pattern of consumption and useful life

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E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy by class of assets is provided below:

	Plant and equipment		Office equipment		Furniture and fittings		Operational land	
$ '000	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Opening balance	**59,213**	52,070	**3,376**	4,367	**9,738**	7,835	**456,644**	475,202
Transfers from/(to) another asset class	**1,104**	–	**–**	–	**64**	–	**(25)**	(9,518)
Purchases (GBV)	**21,273**	17,915	**679**	675	**782**	3,509	**35**	–
Disposals (WDV)	**(3,153)**	(2,878)	**(80)**	–	**(620)**	(16)	**–**	–
Depreciation and impairment	**(8,717)**	(7,894)	**(1,991)**	(1,666)	**(1,521)**	(1,590)	**–**	–
Revaluation increments / (decrements) to Equity (ARR)	**–**	–	**–**	–	**–**	–	**(91)**	(9,040)
Closing balance	**69,720**	59,213	**1,984**	3,376	**8,443**	9,738	**456,563**	456,644

	Crown and Community land		Land under Roads		Land improve-ments		Buildings	
$ '000	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Opening balance	**561,180**	566,201	**2,698**	2,561	**18,925**	17,882	**588,221**	574,646
Transfers from/(to) another asset class	**–**	9,118	**–**	137	**6,449**	–	**(21)**	41
Purchases (GBV)	**2,824**	–	**–**	–	**2,002**	984	**5,864**	17,998
Disposals (WDV)	**–**	(2,712)	**–**	–	**(7)**	–	**(2,078)**	(283)
Depreciation and impairment	**–**	–	**–**	–	**(1,151)**	(1,171)	**(19,714)**	(18,720)
Revaluation increments / (decrements) to Equity (ARR)	**–**	(11,427)	**–**	–	**–**	1,230	**19,871**	14,539
Closing balance	**564,004**	561,180	**2,698**	2,698	**26,218**	18,925	**592,143**	588,221

	Other structures		Roads		Bridges		Footpaths	
$ '000	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Opening balance	**9,653**	8,876	**1,745,158**	1,642,861	**58,211**	54,241	**187,041**	167,473
Transfers from/(to) another asset class	**(28)**	(250)	**(1,156)**	(4,592)	**7,283**	–	**(8,206)**	7,265
Purchases (GBV)	**2,226**	1,668	**26,618**	69,374	**3,323**	2,286	**2,542**	7,030
Disposals (WDV)	**(22)**	–	**(2,437)**	(3,511)	**(88)**	(154)	**(289)**	(111)
Depreciation and impairment	**(627)**	(641)	**(45,765)**	(44,346)	**(1,143)**	(979)	**(4,225)**	(3,920)
Revaluation increments / (decrements) to Equity (ARR)	**(22)**	–	**750,244**	85,372	**4,356**	2,817	**123,572**	9,304
Closing balance	**11,180**	9,653	**2,472,662**	1,745,158	**71,942**	58,211	**300,435**	187,041

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E2-1 Fair value measurement (continued)

$ '000	Bulk earthworks 2025	Bulk earthworks 2024	Stormwater drainage 2025	Stormwater drainage 2024	Water supply network 2025	Water supply network 2024	Sewerage network 2025	Sewerage network 2024
Opening balance	**419,084**	404,508	**1,320,047**	1,268,694	**1,420,490**	1,377,278	**1,615,257**	1,535,711
Transfers from/(to) another asset class	**(5,479)**	(2)	**(547)**	–	**(11)**	–	**55**	–
Purchases (GBV)	**377**	1,452	**26,523**	26,355	**25,064**	12,889	**53,288**	45,949
Disposals (WDV)	**(187)**	–	**(178)**	(1,396)	**(421)**	(519)	**(2,514)**	(2,489)
Depreciation and impairment	**–**	–	**(15,394)**	(14,380)	**(39,343)**	(37,622)	**(45,437)**	(41,230)
Revaluation increments / (decrements) to Equity (ARR)	**90,899**	13,126	**(123,801)**	40,774	**34,740**	68,464	**40,240**	77,316
Closing balance	**504,694**	419,084	**1,206,650**	1,320,047	**1,440,519**	1,420,490	**1,660,889**	1,615,257

$ '000	Swimming pools 2025	Swimming pools 2024	Open space / recreational 2025	Open space / recreational 2024	Other infrastructure 2025	Other infrastructure 2024	Library books 2025	Library books 2024
Opening balance	**7,580**	7,320	**185,898**	162,423	**34,893**	36,659	**1,982**	1,833
Transfers from/(to) another asset class	**–**	(41)	**107**	(5)	**–**	(2,422)	**–**	–
Purchases (GBV)	**139**	407	**10,686**	7,176	**189**	441	**–**	890
Disposals (WDV)	**–**	–	**(128)**	(473)	**–**	–	**–**	–
Depreciation and impairment	**(654)**	(599)	**(15,843)**	(13,190)	**(2,226)**	(2,052)	**(674)**	(741)
Revaluation increments / (decrements) to Equity (ARR)	**–**	493	**(214)**	29,967	**–**	2,267	**–**	–
Closing balance	**7,065**	7,580	**180,506**	185,898	**32,856**	34,893	**1,308**	1,982

$ '000	Other 2025	Other 2024	Tip assets 2025	Tip assets 2024	Total 2025	Total 2024
Opening balance	**3,905**	4,029	**28,916**	30,702	**8,738,110**	8,403,372
Transfers from/(to) another asset class	**22**	–	**–**	5	**(389)**	(264)
Purchases (GBV)	**60**	53	**–**	1,786	**184,494**	218,837
Disposals (WDV)	**–**	(2)	**–**	–	**(12,202)**	(14,544)
Depreciation and impairment	**(146)**	(175)	**(3,606)**	(3,577)	**(208,177)**	(194,493)
Revaluation increments / (decrements) to Equity (ARR)	**–**	–	**–**	–	**939,794**	325,202
Closing balance	**3,841**	3,905	**25,310**	28,916	**9,641,630**	**8,738,110**

Highest and best use

The following non-financial assets of Council are being utilised for purposes that do not generate commercial revenues:

Community based assets

Council undertakes a number of services with a strong focus of providing community benefits to its constituents. These services are based on meeting essential community needs and are not of a nature that would be provided in a commercially competitive environment.

Crown land under Council's care and control as well as Council-owned land that has been classified as community land under the provisions of the *Local Government Act 1993*.

Futhermore, Council has a number of buildings that are applied in delivering community services. The restrictions on the land and the community use of the buildings in delivering community based services is considered to be the "highest and best use" of those assets to Council.

E3-1 Contingencies

The following liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

CONTINGENT LIABILITIES

1. Guarantees

(i) Defined benefit plan
Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

– Assets are not segregated within the sub-group according to the employees of each sponsoring employer.

– The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.

– Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.

– The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working lifetime of a typical new entrant is calculated. The current future service employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% of salaries
Division D	1.64 times member contributions

* For 180 Point Members, Employers are required to contribute 9.5% from 1 July 2025 of salaries to these members' accumulation accounts in line with current level of SG contributions, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of $20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June. Given the funding position of the Fund as at 30 June 2024, it was recommended to cease past service contributions effective 1 January 2025.

The adequacy of contributions is assessed at each actuarial investigation which will be conducted annually, the next of which is due effective 30 June 2025.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

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E3-1 Contingencies (continued)

The amount of employer contributions to the defined benefit section of the Scheme and recognised as an expense for the year ending 30 June 2025 was $1,296,279.09. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2024.

Council's expected contribution to the plan for the next annual reporting period is $275,198.92.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2025 is:

Employer reserves only *	$millions	Asset Coverage
Assets	2,197.6	
Past Service Liabilities	2,092.0	105.0%
Vested Benefits	2,130.4	103.2%

* excluding member accounts and reserves in both assets and liabilities.

The share of any funding surplus or deficit that can be attributed to Council is 3.69%.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the pooled employers.

Please note that the estimated employer reserves financial position above is a prelimnary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2025.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

Contaminated lands
Council is required by law to remediate its contaminated sites.The projected costs associated with this remediation are provided for within the financial statements at Note C3-5 and are based on certain estimates and assumptions. Prior to remediation works being carried out, monitoring works are required to manage site risks while post remediation there is a period of validation

continued on next page ...

E3-1 Contingencies (continued)

to ensure that the remediation has been successful. These costs are included within the projections provided for within the financial statements at Note C3-5. Post remediation and validation, Council will continue to monitor each site for at least an additional 10 years. This monitoring will vary between each site and cannot be reliably estimate at this time however may approximate $1,030,985.01. This estimate is based on the actual contract rates for monitoring the former landfill sites for 2024-25 of $103,098.50 multiplied by 10 years.

Waste Remediation
In 2018-2019 Council made notifications to the NSW Environmental Protection Authority (NSW EPA) under Section 60 of the Contaminated Land Management Act 1997 for six retired landfill sites. In March 2020 Council was advised that three of these sites (Hylton Moore Oval, Frost Reserve and Adcock Park) are classified as significantly contaminated and warrant regulation under the Contaminated Land Management Act 1997. In August 2020 the NSW EPA approved Council's Voluntary Management Proposals for each of these three sites. In 2020-2021 the community consultation plans and site management plans were completed. In 2022 detailed site investigations commenced and Human Health and Ecological Risk Assessments and Landfill Gas Risk Assessments were completed in August 2023. Further investigation works are required to be completed before the Remedial Options Assessment and individual Remedial Action Plans identifying any remedial works that may be required to address the potential impact to the environment and public health. These investigation works are scheduled to be completed in August 2025 following which a final report will be prepared and reviewed by the NSW EPA site auditor and subsequent Remediation Action Plan developed. The estimated cost to complete the environmental investigations, development of the Remedial Options Assessments, and individual Remedial Action Plans and their review by a NSW EPA accredited contaminated site auditor across all three sites is an additional $3,509,080.00 and this has been fully provided for within the financial statements at Note C3-5. At this stage there is no reliable way to estimate the cost of any further remediation activities that may be required at these three sites.

Legal Expenses
The Council is a party to a number of legal proceedings in various jurisdictions. All known costs have been recognised, however as the various legal proceedings are still in progress, it is difficult to estimate the ultimate financial impact. For example, legal costs that the Council may be awarded, or ordered to pay; and other financial penalties that may be imposed, subject to the powers of the Court or Tribunal in the relevant jurisdiction. Council estimates that there may be approximately $2,558,000 of legal expenses in 2025-26, based on advice received from Legal Counsels.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

$ '000	2025	2024
Compensation:		
Short-term benefits	**2,822**	2,716
Other long-term benefits	**364**	332
Termination benefits	**1**	–
Total	**3,187**	3,048

F1-2 Councillor, Mayoral and Administrator fees and associated expenses

$ '000	2025	2024
The aggregate amount of Councillor, Mayoral and Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	**83**	–
Councillors' fees	**457**	–
Councillors' expenses (including Mayor)	**86**	–
Administrator fees and expenses	**103**	387
Total	**729**	387

F1-3 Other related parties

$ '000	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2025						
Funding and in-kind support services	1	**1,213**	**–**	Funding and support services provided in line with the funding agreement	**–**	**–**
2024						
Funding and in-kind support services	1	1,163	–	Funding and support services provided in line with the funding agreement	–	–

1 The former Wyong Shire Council entered into a funding and service level agreement with The Art House, Wyong Shire Performing Arts and Conference Centre Limited in 2016 to provide funding and in-kind services.

F2 Other relationships

F2-1 Audit fees

$ '000	2025	2024
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements [1]	**559**	573
Total Auditor-General remuneration	**559**	573
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services	**–**	138
Remuneration for audit and other assurance services	**–**	138
Total audit fees	**559**	711

(1) Total disclosed in current year largely relates to prior year external audit fees.

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of Operating Result

$ '000	2025	2024
Net operating result from Income Statement [1]	**157,960**	158,650
Add / (less) non-cash items:		
Depreciation, amortisation and impairment	**211,449**	197,295
(Gain) / loss on disposal of assets	**7,981**	8,827
Non-cash capital grants and contributions [1]	**(26,221)**	(19,417)
Investments classified as 'at fair value'	**(2,320)**	(4,799)
Unwinding of discount rates on reinstatement provisions	**362**	1,050
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	**(4,357)**	1,348
Increase / (decrease) in provision for impairment of receivables	**(2,612)**	(705)
(Increase) / decrease of inventories	**54**	5
(Increase) / decrease of other assets	**(9,666)**	(10)
Increase / (decrease) in payables	**13,950**	(1,008)
Increase / (decrease) in other accrued expenses payable	**461**	9,336
Increase / (decrease) in other liabilities	**736**	1,238
Increase / (decrease) in contract liabilities	**(5,318)**	1,987
Increase / (decrease) in employee benefit provision	**4,060**	913
Increase / (decrease) in other provisions	**368**	4,412
Net cash provided from operating activities	**346,887**	359,122

(1) Restated 2023/24

(b) Non-cash financing and investing activities

Other dedications [1]	**26,139**	26,756
Total non-cash financing and investing activities	**26,139**	26,756

(1) Restated 2023/24

G2-1 Commitments

Capital commitments (exclusive of GST)

$ '000	2025	2024
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	**5,083**	7,463
Land and buildings	**6,581**	30,075
Tip assets	**2,475**	3,029
Stormwater Management infrastructure	**2,338**	3,365
Open Space infrastructure	**3,705**	4,147
Road infrastructure	**19,983**	36,505
Sewerage and water infrastructure	**71,466**	95,477
Technology	**667**	–
Total commitments	**112,298**	180,061

Details of capital commitments

Major projects to continue next year include:

- Water Treatment Plant Major Upgrade - Mardi
- Sewage Treatment Plant Major Augmentation works - Charmhaven
- Sewer Rising Main partial replacement - West Gosford
- Sewage Treatment Plant Major upgrade - Gwandalan
- Sewage Treatment Plant Upgrades - Wyong South
- Road Renewal program
- Plant & Fleet Vehicles - Acquisitions
- Wisemans Ferry Road works
- Sewer Main Rehabilitation Program - Region Wide

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant ‘non-adjusting events’ that should be disclosed.

G4 Changes from prior year statements

G4-1 Correction of errors

During 2024-2025 Council recognised roads, drainage, bulk earthworks, footpaths, water and sewer assets, bridges and open space that had been constructed by others and handed over to, and controlled by Council prior to 2024-2025. The financial statements have been adjusted to reflect that these assets relate to periods earlier than the current reporting period. These errors have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2023) and taking the adjustments through to accumulated surplus at that date. Comparatives for 2023-2024 have also been restated, where applicable to reflect the correction of errors. The impact of each line item of the financial statements is shown in the tables below:

Changes to the opening Statement of Financial Position at 1 July 2023

$ '000	As Previously Reported 1 July, 2023	Impact Increase/ (decrease)	Restated Balance 1 July, 2023
Infrastructure, property, plant and equipment	8,559,167	56,463	8,615,630
Total non-current assets	9,020,130	56,463	9,076,593
Total assets	**9,466,232**	**56,463**	**9,522,695**
Net assets	8,895,805	56,463	8,952,268
Accumulated surplus	7,309,745	56,463	7,366,208
Total equity	**8,895,805**	**56,463**	**8,952,268**

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G4-1 Correction of errors (continued)

Adjustments to the comparative figures for the year ended 30 June 2024

$ '000	As Previously Reported 30 June, 2024	Impact Increase/ (decrease)	Restated Amount 30 June, 2024
Infrastructure, property, plant and equipment	8,919,904	69,342	8,989,246
Total non-current assets	9,363,866	69,342	9,433,208
Total assets	**9,860,236**	**69,342**	**9,929,578**
Net assets	9,366,773	69,342	9,436,115
Accumulated surplus	7,455,511	69,342	7,524,853
Total equity	**9,366,773**	**69,342**	**9,436,115**

Income Statement

$ '000	As Previously Reported 30 June, 2024	Impact Increase/ (decrease)	Restated Amount 30 June, 2024
Grants and contributions provided for capital purposes	107,166	13,775	120,941
Total income from continuing operations	**823,622**	**13,775**	**837,397**
Depreciation and amortisation	197,295	891	198,186
Total expenses from continuing operations	**677,856**	**891**	**678,747**
Net operating result for the year	**145,766**	**12,884**	**158,650**

Statement of Comprehensive Income

$ '000	As Previously Reported 30 June, 2024	Impact Increase/ (decrease)	Restated Amount 30 June, 2024
Net operating result for the year	**145,766**	**12,884**	**158,650**
Total comprehensive income for the year	**145,766**	**12,884**	**158,650**

G5 Statement of developer contributions

G5-1 Summary of developer contributions

$ '000	Opening balance at 1 July 2024	Contributions received during the year: Cash	Non-cash Land	Net Contributions received - Non-cash	Interest and investment income earned	Amounts expended / repealed	Internal borrowings	Held as restricted asset at 30 June 2025	Cumulative balance of internal borrowings (to)/from
Drainage	28,201	1,370	–	–	1,271	(751)	–	30,090	–
Roads	26,680	3,317	–	–	1,486	(220)	–	31,261	–
Parking	3,619	–	–	–	137	–	–	3,756	–
Open space	29,155	3,790	–	–	1,806	(275)	–	34,474	–
Community facilities	38,704	2,418	–	–	1,660	(373)	–	42,406	–
Other	1,002	299	–	–	47	–	–	1,348	–
Drainage Capital	3,963	208	–	–	155	–	–	4,326	–
Drainage Land	2,057	44	–	–	79	–	–	2,180	–
Storm Water/Flood Mitigation	2,351	194	–	–	94	–	–	2,639	–
Roads Capital	718	72	–	–	29	–	–	819	–
Roads Land	–	–	–	–	–	–	–	–	–
Open Space Land	4,172	167	–	–	162	–	–	4,500	–
Open Space Embellishment	2,156	562	–	–	75	(969)	–	1,824	–
Community Capital	2,664	185	–	–	106	–	–	2,955	–
Community Land	526	10	–	–	20	–	–	556	–
Recreation	–	–	–	–	–	–	–	–	–
Footpaths	375	22	–	–	15	–	–	412	–
Environment Protection	–	–	–	–	–	–	–	–	–
Towncentre Improvements	2,153	288	–	–	88	–	–	2,529	–
Car Parking Administration	78	–	–	–	3	–	–	81	–
S7.11 contributions – under a plan	148,574	12,946	–	–	7,233	(2,588)	–	166,156	–
S7.12 levies – under a plan	45,929	3,146	–	–	1,702	(6,858)	–	43,919	–
Total S7.11 and S7.12 revenue under plans	194,503	16,092	–	–	8,935	(9,446)	–	210,075	–
S7.4 planning agreements	6,053	–	–	–	298	–	–	6,351	–
S64 contributions - Water	14,023	4,967	–	48	1,142	(136)	–	20,044	–
S64 contributions - Sewer	18,912	3,479	–	34	1,183	(16,320)	–	7,288	–
Total contributions	233,491	24,538	–	82	11,558	(25,902)	–	243,758	–

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

Under the *Local Government Act 1993*, Council levies S64 contributions for Water and Sewer Infrastructure assets. These contributions are outlined in the relevant Development Servicing Plans (DSPs) and in accordance with the *Water Management Act 2000.*

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

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G5-2 Developer contributions by plan

S7.11 contributions – under a plan

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 31 - PENINSULA									
Drainage Capital	3,963	**208**	–	–	**155**	–	–	**4,326**	–
Drainage Land	2,057	**44**	–	–	**79**	–	–	**2,180**	–
Roads Capital	718	**72**	–	–	**29**	–	–	**819**	–
Open Space Land	4,172	**167**	–	–	**162**	–	–	**4,500**	–
Community Land	526	**10**	–	–	**20**	–	–	**556**	–
Open Space Embellishment	2,149	**554**	–	–	**74**	**(969)**	–	**1,808**	–
Community Capital	2,664	**185**	–	–	**106**	–	–	**2,955**	–
Total	16,249	**1,240**	**–**	**–**	**625**	**(969)**	**–**	**17,144**	**–**

CONTRIBUTION PLAN NUMBER 42 - ERINA (REPEALED)

CONTRIBUTION PLAN NUMBER
36 - ERINA VALLEY

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G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 47A - TERRIGAL									
Storm Water/Flood Mitigation	2,351	**194**	–	–	**94**	–	–	**2,639**	–
Open Space Embellishment	7	**8**	–	–	**1**	–	–	**16**	–
Footpaths	375	**22**	–	–	**15**	–	–	**412**	–
Towncentre Improvements	2,153	**288**	–	–	**88**	–	–	**2,529**	–
Total	4,886	**512**	–	–	**198**	–	–	**5,596**	–
CONTRIBUTION PLAN NUMBER 69 - TERRIGAL PARKING									
Parking	1,677	–	–	–	**64**	–	–	**1,741**	–
Car Parking Administration	78	–	–	–	**3**	–	–	**81**	–
Total	1,755	–	–	–	**67**	–	–	**1,822**	–

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G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 1 - WYONG									
Drainage	2,297	457	–	–	97	–	–	2,851	–
Roads	2,789	361	–	–	114	–	–	3,264	–
Parking	1,841	–	–	–	70	–	–	1,911	–
Open space	3,330	81	–	–	138	–	–	3,548	–
Community facilities	3,126	108	–	–	142	–	–	3,376	–
Other	56	–	–	–	2	–	–	58	–
Total	13,439	1,007	–	–	563	–	–	15,008	–
CONTRIBUTION PLAN NUMBER 2 - SOUTHERN LAKES									
Drainage	1,451	7	–	–	55	–	–	1,513	–
Roads	993	–	–	–	38	–	–	1,031	–
Open space	3,852	159	–	–	162	(25)	–	4,148	–
Community facilities	3,817	133	–	–	148	–	–	4,097	–
Other	66	19	–	–	3	–	–	88	–
Total	10,179	318	–	–	406	(25)	–	10,877	–
CONTRIBUTION PLAN NUMBER 3 - THE ENTRANCE									
Drainage	6	–	–	–	–	–	–	6	–
Roads	3,529	638	–	–	138	(218)	–	4,086	–
Parking	94	–	–	–	3	–	–	97	–
Open space	2,574	276	–	–	101	(50)	–	2,901	–
Community facilities	553	389	–	–	75	–	–	1,017	–
Total	6,756	1,303	–	–	317	(268)	–	8,107	–
CONTRIBUTION PLAN NUMBER 5 - OURIMBAH									
Roads	281	2	–	–	11	–	–	294	–
Open space	225	78	–	–	11	–	–	314	–
Community facilities	2,237	65	–	–	87	–	–	2,389	–
Other	2	9	–	–	–	–	–	11	–
Total	2,745	154	–	–	109	–	–	3,008	–

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G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER 6 - TOUKLEY									
Drainage	6	–	–	–	–	–	–	6	–
Roads	17	–	–	–	1	–	–	18	–
Parking	7	–	–	–	–	–	–	7	–
Open space	1,531	35	–	–	63	–	–	1,629	–
Community facilities	2,470	34	–	–	95	–	–	2,599	–
Total	4,031	69	–	–	159	–	–	4,259	–
CONTRIBUTION PLAN NUMBER 7 - GOROKAN									
Roads	127	–	–	–	32	–	–	159	–
Open space	1,705	124	–	–	74	–	–	1,903	–
Community facilities	1,299	103	–	–	52	–	–	1,454	–
Other	37	17	–	–	2	–	–	56	–
Total	3,168	244	–	–	160	–	–	3,572	–
CONTRIBUTION PLAN NUMBER 8 - SAN REMO									
Drainage	406	–	–	–	15	–	–	421	–
Roads	519	11	–	–	44	–	–	574	–
Open space	1,650	42	–	–	90	–	–	1,782	–
Community facilities	281	35	–	–	11	–	–	327	–
Other	20	5	–	–	1	–	–	26	–
Total	2,876	93	–	–	161	–	–	3,130	–
CONTRIBUTION PLAN NUMBER 9 - BUDGEWOI									
Roads	86	–	–	–	–	–	–	86	–
Open space	337	77	–	–	13	(45)	–	382	–
Community facilities	2,390	65	–	–	92	–	–	2,547	–
Other	9	10	–	–	–	–	–	19	–
Total	2,822	152	–	–	105	(45)	–	3,034	–

continued on next page ...

G5-2 Developer contributions by plan (continued)

CONTRIBUTION PLAN NUMBER - 13 SHIRE WIDE									
Open space	2,460	242	–	–	100	–	–	2,802	–
Community facilities	380	184	–	–	3	–	–	567	–
Other	75	35	–	–	4	–	–	114	–
Total	2,915	461	–	–	107	–	–	3,483	–
CONTRIBUTION PLAN NUMBER 15 - NORTHERN DISTRICTS									
Roads	3,796	877	–	–	169	–	–	4,842	–
Open space	2,414	964	–	–	116	(155)	–	3,339	–
Community facilities	4,297	818	–	–	183	(373)	–	4,924	–
Other	35	111	–	–	4	–	–	150	–
Total	10,542	2,770	–	–	472	(528)	–	13,255	–
CONTRIBUTION PLAN NUMBER 17 - WARNERVALE DISTRICT									
Drainage	24,035	906	–	–	1,104	(751)	–	25,293	–
Roads	14,543	1,428	–	–	939	(2)	–	16,907	–
Open space	9,078	1,712	–	–	938	–	–	11,727	–
Community facilities	17,854	484	–	–	772	–	–	19,109	–
Other	702	93	–	–	31	–	–	826	–
Total	66,212	4,623	–	–	3,784	(753)	–	73,862	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER GCIP (INCLUDING REPEALED CONTRIBUTIONS)									
Town-centre Improvements	48,863	–	–	–	1,702	(3,026)	–	47,539	–
Total	48,863	–	–	–	1,702	(3,026)	–	47,539	–
CONTRIBUTION PLAN NUMBER WYONG									
Other	(2,934)	3,146	–	–	–	(3,832)	–	(3,620)	–
Total	(2,934)	3,146	–	–	–	(3,832)	–	(3,620)	–

End of the audited financial statements

Central Coast Council

General Purpose Financial Statements
for the year ended 30 June 2025

Independent Auditor's Reports:

On the Financial Statements (Sect 417 [2])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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Central Coast Council

General Purpose Financial Statements
for the year ended 30 June 2025

Independent Auditor's Reports: (continued)

On the Financial Statements (Sect 417 [3])

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

Central Coast Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2025

A vibrant and sustainable Central Coast

Central Coast Council

Special Purpose Financial Statements

for the year ended 30 June 2025

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Background

i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.

ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, **(b)** those activities with a turnover of more than $2 million that Council has formally declared as a business activity (defined as Category 1 activities), and **(c)** those activities with a turnover of less than $2 million that Council has formally declared as a business activity (defined as Category 2 activities).

iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Central Coast Council

Special Purpose Financial Statements

for the year ended 30 June 2025

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with :

- NSW Government Policy Statement *Application of National Competition Policy to Local Government*,
- Division of Local Government Guidelines *Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality*,
- The Local Government Code of Accounting Practice and Financial Reporting,
- The NSW Office of Water *Best-Practice Management of Water and Sewerage Guidelines*.

To the best of our knowledge and belief, these statements:

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records, and
- present overhead reallocation charges to businesses as fair and resonable.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 23 September 2025.

Lawrie McKinna
Mayor
23 September 2025

Doug Eaton
Deputy Mayor
23 September 2025

[Marissa Racomelara]

[A/Chief Executive Officer]

23 September 2025

Emma Galea
Responsible Accounting Officer
23 September 2025

Central Coast Council

Income Statement of water supply business activity

for the year ended 30 June 2025

$ '000	2025	2024 Restated
Income from continuing operations		
Access charges	**50,958**	34,673
User charges	**72,305**	69,891
Fees	**2,244**	2,071
Interest and investment income	**4,279**	1,914
Grants and contributions provided for operating purposes	**95**	131
Net gain from the disposal of assets	**–**	602
Other income	**270**	128
Total income from continuing operations	**130,151**	109,410
Expenses from continuing operations		
Employee benefits and on-costs	**19,831**	17,053
Borrowing costs	**7,903**	7,072
Materials and services	**43,782**	38,628
Depreciation, amortisation and impairment	**40,081**	38,328
Water purchase charges	**652**	352
Net loss from the disposal of assets	**421**	534
Calculated taxation equivalents	**916**	795
Other expenses	**99**	31
Total expenses from continuing operations	**113,685**	102,793
Surplus (deficit) from continuing operations before capital amounts	**16,466**	6,617
Grants and contributions provided for capital purposes	**9,992**	7,192
Surplus (deficit) from continuing operations after capital amounts	**26,458**	13,809
Surplus (deficit) from all operations before tax	**26,458**	13,809
Less: corporate taxation equivalent (25%) [based on result before capital]	**(4,117)**	(1,659)
Surplus (deficit) after tax	**22,341**	12,150
Opening accumulated surplus	**976,505**	961,901
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**916**	795
– Corporate taxation equivalent	**4,117**	1,659
Closing accumulated surplus	**1,003,879**	976,505
Return on capital %	**1.5%**	0.9%
Subsidy from Council	**–**	–
Calculation of dividend payable:		
Surplus (deficit) after tax	**22,342**	12,150
Less: capital grants and contributions (excluding developer contributions)	**(9,992)**	(7,192)
Surplus for dividend calculation purposes	**12,350**	4,958
Dividend calculated from surplus	**6,175**	2,479

Central Coast Council

Income Statement of sewerage business activity

for the year ended 30 June 2025

$ '000	2025	2024 Restated
Income from continuing operations		
Access charges	**79,802**	73,563
User charges	**21,189**	20,481
Liquid trade waste charges	**3,746**	3,243
Fees	**765**	783
Interest and investment income	**8,113**	7,988
Grants and contributions provided for operating purposes	**51**	173
Other income	**566**	1,201
Total income from continuing operations	**114,232**	107,432
Expenses from continuing operations		
Employee benefits and on-costs	**23,858**	18,074
Borrowing costs	**1,505**	1,658
Materials and services	**51,169**	42,165
Depreciation, amortisation and impairment	**46,238**	42,016
Net loss from the disposal of assets	**2,514**	2,675
Calculated taxation equivalents	**300**	258
Other expenses	**459**	248
Total expenses from continuing operations	**126,043**	107,094
Surplus (deficit) from continuing operations before capital amounts	**(11,811)**	338
Grants and contributions provided for capital purposes	**12,971**	14,174
Surplus (deficit) from continuing operations after capital amounts	**1,160**	14,512
Surplus (deficit) from all operations before tax	**1,160**	14,512
Less: corporate taxation equivalent (25%) [based on result before capital]	**–**	(87)
Surplus (deficit) after tax	**1,160**	14,425
Opening accumulated surplus	**1,539,987**	1,525,217
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**300**	258
– Corporate taxation equivalent	**–**	87
Closing accumulated surplus	**1,541,447**	1,539,987
Return on capital %	**(0.6)%**	0.1%
Subsidy from Council	**10,306**	–
Calculation of dividend payable:		
Surplus (deficit) after tax	**1,160**	14,425
Less: capital grants and contributions (excluding developer contributions)	**(12,971)**	(14,174)
Surplus for dividend calculation purposes	**–**	251
Dividend calculated from surplus	**–**	126

Central Coast Council

Income Statement – Drainage

for the year ended 30 June 2025

$ '000	2025 Category 1	2024 Category 1 Restated
Income from continuing operations		
Annual charges	**21,218**	20,394
Interest and investment income	**369**	306
Grants and contributions provided for operating purposes	**1,595**	4,584
Other income	**13**	10
Total income from continuing operations	**23,195**	25,294
Expenses from continuing operations		
Employee benefits and on-costs	**2,660**	2,703
Borrowing costs	**341**	395
Materials and services	**9,069**	13,795
Depreciation, amortisation and impairment	**15,383**	14,307
Net loss from the disposal of assets	**178**	1,103
Calculated taxation equivalents	**120**	95
Other expenses	**9**	1
Total expenses from continuing operations	**27,760**	32,399
Surplus (deficit) from continuing operations before capital amounts	**(4,565)**	(7,105)
Grants and contributions provided for capital purposes	**19,757**	12,419
Surplus (deficit) from continuing operations after capital amounts	**15,192**	5,314
Surplus (deficit) from all operations before tax	**15,192**	5,314
Less: corporate taxation equivalent (25%) [based on result before capital]	**–**	–
SURPLUS (DEFICIT) AFTER TAX	**15,192**	5,314
Opening accumulated surplus	**1,052,410**	1,047,001
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**120**	95
Closing accumulated surplus	**1,067,722**	1,052,410
Return on capital %	**(0.3)%**	(0.5)%
Subsidy from Council	**4,224**	6,444
Calculation of dividend payable:		
Surplus (deficit) after tax	**15,192**	5,314
Less: capital grants and contributions (excluding developer contributions)	**(19,757)**	(12,419)
Surplus for dividend calculation purposes	**–**	–
Potential dividend calculated from surplus	**–**	–

Central Coast Council

Income Statement – Holiday Parks

for the year ended 30 June 2025

$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	**13,812**	12,913
Fees	**2**	17
Other income	**4**	4
Total income from continuing operations	**13,818**	12,934
Expenses from continuing operations		
Employee benefits and on-costs	**311**	304
Borrowing costs	**47**	48
Materials and services	**8,791**	9,240
Depreciation, amortisation and impairment	**1,624**	1,320
Net loss from the disposal of assets	**30**	–
Calculated taxation equivalents	**358**	312
Other expenses	**641**	379
Total expenses from continuing operations	**11,802**	11,603
Surplus (deficit) from continuing operations before capital amounts	**2,016**	1,331
Surplus (deficit) from continuing operations after capital amounts	**2,016**	1,331
Surplus (deficit) from all operations before tax	**2,016**	1,331
Less: corporate taxation equivalent (25%) [based on result before capital]	**(504)**	(333)
SURPLUS (DEFICIT) AFTER TAX	**1,512**	998
Opening accumulated surplus	**50,032**	44,477
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**358**	312
– Corporate taxation equivalent	**504**	333
– Subsidy paid/contribution to operations	**4,319**	3,912
Closing accumulated surplus	**56,725**	50,032
Return on capital %	**5.0%**	3.5%
Subsidy from Council	**–**	–
Calculation of dividend payable:		
Surplus (deficit) after tax	**1,512**	998
Surplus for dividend calculation purposes	**1,512**	998
Potential dividend calculated from surplus	**756**	499

Central Coast Council

Income Statement – Leisure Centres

for the year ended 30 June 2025

$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	**8,846**	8,204
Grants and contributions provided for operating purposes	**105**	–
Other income	**633**	602
Total income from continuing operations	**9,584**	8,806
Expenses from continuing operations		
Employee benefits and on-costs	**7,690**	7,299
Materials and services	**5,936**	5,544
Depreciation, amortisation and impairment	**2,867**	2,771
Net loss from the disposal of assets	**48**	1
Calculated taxation equivalents	**659**	599
Total expenses from continuing operations	**17,200**	16,214
Surplus (deficit) from continuing operations before capital amounts	**(7,616)**	(7,408)
Grants and contributions provided for capital purposes	**255**	528
Surplus (deficit) from continuing operations after capital amounts	**(7,361)**	(6,880)
Surplus (deficit) from all operations before tax	**(7,361)**	(6,880)
Less: corporate taxation equivalent (25%) [based on result before capital]	**–**	–
SURPLUS (DEFICIT) AFTER TAX	**(7,361)**	(6,880)
Opening accumulated surplus	**60,103**	51,578
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**659**	599
– Subsidy payable/contribution to operations by Council	**75,175**	14,806
Closing accumulated surplus	**128,576**	60,103
Return on capital %	**(5.6)%**	(11.0)%
Subsidy from Council	**7,616**	7,408
Calculation of dividend payable:		
Surplus (deficit) after tax	**(7,361)**	(6,880)
Less: capital grants and contributions (excluding developer contributions)	**(255)**	(528)
Surplus for dividend calculation purposes	**–**	–
Potential dividend calculated from surplus	**–**	–

Central Coast Council

Income Statement – Child Care

for the year ended 30 June 2025

$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
User charges	**9,784**	8,888
Grants and contributions provided for operating purposes	**658**	670
Total income from continuing operations	**10,442**	9,558
Expenses from continuing operations		
Employee benefits and on-costs	**8,016**	7,205
Borrowing costs	**22**	22
Materials and services	**4,225**	2,486
Depreciation, amortisation and impairment	**556**	476
Net loss from the disposal of assets	**36**	19
Calculated taxation equivalents	**473**	413
Total expenses from continuing operations	**13,328**	10,621
Surplus (deficit) from continuing operations before capital amounts	**(2,886)**	(1,063)
Grants and contributions provided for capital purposes	**4**	71
Surplus (deficit) from continuing operations after capital amounts	**(2,882)**	(992)
Surplus (deficit) from all operations before tax	**(2,882)**	(992)
Less: corporate taxation equivalent (25%) [based on result before capital]	**–**	–
SURPLUS (DEFICIT) AFTER TAX	**(2,882)**	(992)
Opening accumulated surplus	**9,730**	9,180
Plus/less: other adjustments (prior year subsidy payable by Council)	**–**	–
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**473**	413
– Subsidy payable/contribution to operations by Council	**2,428**	1,129
Closing accumulated surplus	**9,749**	9,730
Return on capital %	**(24.9)%**	(9.3)%
Subsidy from Council	**2,864**	1,041
Calculation of dividend payable:		
Surplus (deficit) after tax	**(2,882)**	(992)
Less: capital grants and contributions (excluding developer contributions)	**(4)**	(71)
Surplus for dividend calculation purposes	**–**	–
Potential dividend calculated from surplus	**–**	–

Central Coast Council

Income Statement – Commercial Waste

for the year ended 30 June 2025

$ '000	2025 Category 1	2024 Category 1
Income from continuing operations		
Annual charges	**4,623**	4,512
Interest and investment income	**25**	16
Total income from continuing operations	**4,648**	4,528
Expenses from continuing operations		
Employee benefits and on-costs	**22**	26
Materials and services	**2,157**	1,385
Other expenses	**–**	371
Total expenses from continuing operations	**2,179**	1,782
Surplus (deficit) from continuing operations before capital amounts	**2,469**	2,746
Surplus (deficit) from continuing operations after capital amounts	**2,469**	2,746
Surplus (deficit) from all operations before tax	**2,469**	2,746
Less: corporate taxation equivalent (25%) [based on result before capital]	**(617)**	(687)
SURPLUS (DEFICIT) AFTER TAX	**1,852**	2,059
Opening accumulated surplus	**197**	(288)
Adjustments for amounts unpaid:		
– Corporate taxation equivalent	**617**	687
– Subsidy paid/contribution to operations	**(2,452)**	(2,261)
Closing accumulated surplus	**214**	197
Return on capital %	**0.0%**	0.0%
Subsidy from Council	**–**	–
Calculation of dividend payable:		
Surplus (deficit) after tax	**1,852**	2,059
Surplus for dividend calculation purposes	**1,852**	2,059
Potential dividend calculated from surplus	**926**	1,030

Central Coast Council

Income Statement – Building Certification

for the year ended 30 June 2025

$ '000	2025 Category 2	2024 Category 2
Income from continuing operations		
Fees	**652**	641
Other income	**1**	1
Total income from continuing operations	**653**	642
Expenses from continuing operations		
Employee benefits and on-costs	**2,606**	2,454
Materials and services	**290**	57
Calculated taxation equivalents	**85**	69
Total expenses from continuing operations	**2,981**	2,580
Surplus (deficit) from continuing operations before capital amounts	**(2,328)**	(1,938)
Surplus (deficit) from continuing operations after capital amounts	**(2,328)**	(1,938)
Surplus (deficit) from all operations before tax	**(2,328)**	(1,938)
Less: corporate taxation equivalent (25%) [based on result before capital]	**–**	–
SURPLUS (DEFICIT) AFTER TAX	**(2,328)**	(1,938)
Opening accumulated surplus	**(1,158)**	(1,190)
Adjustments for amounts unpaid:		
– Taxation equivalent payments	**85**	69
– Subsidy payable/contribution to operations by Council	**2,294**	1,901
Closing accumulated surplus	**(1,107)**	(1,158)
Return on capital %	**0.0%**	0.0%
Subsidy from Council	**2,328**	1,938
Calculation of dividend payable:		
Surplus (deficit) after tax	**(2,328)**	(1,938)
Surplus for dividend calculation purposes	**–**	–
Potential dividend calculated from surplus	**–**	–

Central Coast Council

Statement of Financial Position of water supply business activity
as at 30 June 2025

$ '000	2025	2024 Restated
ASSETS		
Current assets		
Cash and cash equivalents	**4,694**	3,200
Investments	**79,989**	29,772
Receivables	**32,050**	29,182
Other	**57**	128
Total current assets	**116,790**	62,282
Non-current assets		
Right of use assets	**255**	359
Investments	**547**	547
Receivables	**25**	27
Infrastructure, property, plant and equipment	**1,578,158**	1,537,532
Total non-current assets	**1,578,985**	1,538,465
Total assets	**1,695,775**	1,600,747
LIABILITIES		
Current liabilities		
Contract liabilities	**–**	108
Lease liabilities	**125**	115
Provisions	**216**	649
Payables	**14,922**	9,486
Borrowings	**24,787**	13,711
Employee benefit provisions	**6,970**	5,591
Total current liabilities	**47,020**	29,660
Non-current liabilities		
Contract liabilities	**2,255**	2,255
Lease liabilities	**194**	319
Provisions	**962**	1,199
Borrowings	**128,119**	112,977
Total non-current liabilities	**131,530**	116,750
Total liabilities	**178,550**	146,410
Net assets	**1,517,225**	1,454,337
EQUITY		
Accumulated surplus	**1,003,880**	976,505
IPPE revaluation reserves	**513,345**	477,832
Total equity	**1,517,225**	1,454,337

Central Coast Council

Statement of Financial Position of sewerage business activity

as at 30 June 2025

$ '000	2025	2024 Restated
ASSETS		
Current assets		
Cash and cash equivalents	**3,878**	8,509
Investments	**66,085**	79,171
Receivables	**15,962**	17,025
Other	**57**	128
Non-current assets classified as held for sale	**480**	480
Total current assets	**86,462**	105,313
Non-current assets		
Right of use assets	**255**	359
Investments	**78,734**	78,734
Receivables	**7,707**	8,408
Infrastructure, property, plant and equipment	**1,793,552**	1,730,496
Total non-current assets	**1,880,248**	1,817,997
Total assets	**1,966,710**	1,923,310
LIABILITIES		
Current liabilities		
Contract liabilities	**8,174**	4,975
Lease liabilities	**125**	115
Provisions	**414**	701
Payables	**13,249**	7,254
Borrowings	**3,670**	3,458
Employee benefit provisions	**5,085**	4,979
Total current liabilities	**30,717**	21,482
Non-current liabilities		
Contract liabilities	**824**	5,383
Lease liabilities	**194**	319
Provisions	**626**	683
Borrowings	**24,414**	28,083
Total non-current liabilities	**26,058**	34,468
Total liabilities	**56,775**	55,950
Net assets	**1,909,935**	1,867,360
EQUITY		
Accumulated surplus	**1,541,445**	1,539,986
IPPE revaluation reserves	**368,490**	327,374
Total equity	**1,909,935**	1,867,360

Central Coast Council

Statement of Financial Position – Drainage

as at 30 June 2025

$ '000	2025 Category 1	2024 Category 1 Restated
ASSETS		
Current assets		
Cash and cash equivalents	**257**	532
Investments	**4,378**	4,946
Receivables	**2,445**	2,405
Total current assets	**7,080**	7,883
Non-current assets		
Investments	**95**	95
Receivables	**1**	1
Infrastructure, property, plant and equipment	**1,238,846**	1,348,853
Intangible assets	**–**	–
Total non-current assets	**1,238,942**	1,348,949
Total assets	**1,246,022**	1,356,832
LIABILITIES		
Current liabilities		
Contract liabilities	**132**	1,040
Payables	**363**	1,585
Borrowings	**27,030**	26,269
Employee benefit provisions	**108**	95
Total current liabilities	**27,633**	28,989
Non-current liabilities		
Contract liabilities	**455**	567
Borrowings	**4,964**	6,291
Total non-current liabilities	**5,419**	6,858
Total liabilities	**33,052**	35,847
NET ASSETS	**1,212,970**	1,320,985
EQUITY		
Accumulated surplus	**1,067,722**	1,052,410
IPPE revaluation reserves	**145,248**	268,575
Total equity	**1,212,970**	1,320,985

Central Coast Council

Statement of Financial Position – Holiday Parks

as at 30 June 2025

$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Investments	**18,434**	14,605
Receivables	**238**	231
Other	**–**	18
Total current assets	**18,674**	14,854
Non-current assets		
Right of use assets	**1,085**	1,148
Infrastructure, property, plant and equipment	**41,141**	39,285
Total non-current assets	**42,226**	40,433
Total assets	**60,900**	55,287
LIABILITIES		
Current liabilities		
Contract liabilities	**2,040**	1,926
Lease liabilities	**30**	26
Payables	**879**	2,021
Employee benefit provisions	**63**	89
Total current liabilities	**3,012**	4,062
Non-current liabilities		
Lease liabilities	**1,163**	1,193
Total non-current liabilities	**1,163**	1,193
Total liabilities	**4,175**	5,255
NET ASSETS	**56,725**	50,032
EQUITY		
Accumulated surplus	**56,725**	50,032
Total equity	**56,725**	50,032

Central Coast Council

Statement of Financial Position – Leisure Centres

as at 30 June 2025

$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	**–**	–
Receivables	**153**	129
Other	**132**	64
Total current assets	**285**	193
Non-current assets		
Infrastructure, property, plant and equipment	**136,313**	67,428
Total non-current assets	**136,313**	67,428
Total assets	**136,598**	67,621
LIABILITIES		
Current liabilities		
Contract liabilities	**40**	32
Payables	**1,380**	916
Employee benefit provisions	**1,114**	1,082
Total current liabilities	**2,534**	2,030
Non-current liabilities		
Total non-current liabilities	**–**	–
Total liabilities	**2,534**	2,030
NET ASSETS	**134,064**	65,591
EQUITY		
Accumulated surplus	**128,576**	60,103
IPPE Revaluation reserves	**5,488**	5,488
Total equity	**134,064**	65,591

Central Coast Council

Statement of Financial Position – Child Care

as at 30 June 2025

$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	**187**	281
Total current assets	**187**	281
Non-current assets		
Right of use assets	**372**	386
Infrastructure, property, plant and equipment	**11,522**	11,253
Total non-current assets	**11,894**	11,639
Total assets	**12,081**	11,920
LIABILITIES		
Current liabilities		
Contract liabilities	**319**	274
Payables	**91**	50
Employee benefit provisions	**1,376**	1,385
Provisions	**66**	3
Total current liabilities	**1,852**	1,712
Non-current liabilities		
Lease liabilities	**480**	478
Total non-current liabilities	**480**	478
Total liabilities	**2,332**	2,190
NET ASSETS	**9,749**	9,730
EQUITY		
Accumulated surplus	**9,749**	9,730
Total equity	**9,749**	9,730

Central Coast Council

Statement of Financial Position – Commercial Waste

as at 30 June 2025

$ '000	2025 Category 1	2024 Category 1
ASSETS		
Current assets		
Receivables	**334**	222
Total current assets	**334**	222
Non-current assets		
Receivables	**–**	–
Total non-current assets	**–**	–
Total assets	**334**	222
LIABILITIES		
Current liabilities		
Payables	**120**	25
Total current liabilities	**120**	25
Non-current liabilities		
Total non-current liabilities	**–**	–
Total liabilities	**120**	25
NET ASSETS	**214**	197
EQUITY		
Accumulated surplus / (deficit)	**214**	197
Total equity	**214**	197

Central Coast Council

Statement of Financial Position – Building Certification

as at 30 June 2025

$ '000	2025 Category 2	2024 Category 2
ASSETS		
Current assets		
	–	–
Total current assets	–	–
Non-current assets		
	–	–
Total non-current assets	–	–
Total assets	–	–
LIABILITIES		
Current liabilities		
Payables	1	–
Employee benefit provisions	1,106	1,158
Total current liabilities	1,107	1,158
Non-current liabilities		
Total non-current liabilities	–	–
Total liabilities	1,107	1,158
NET ASSETS	**(1,107)**	(1,158)
EQUITY		
Accumulated deficit	(1,107)	(1,158)
Total equity	**(1,107)**	(1,158)

Note – Material accounting policy information

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows. These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the *Local Government Act 1993 (NSW)*, the *Local Government (General) Regulation 2021*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality,* Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over $2 million)

a. Water supplies
Water catchment, treatment and supply.

b. Sewerage services
Sewerage collection, treatment and disposal.

c. Stormwater drainage services
Provide and maintain stormwater drainage services.

d. Commercial waste management
Collection and disposal of commercial waste.

e. Care and Education
Provision of child care services.

f. Holiday Parks
Provison of holiday parks.

g. Leisure Centres
Provision of leisure centres.

Category 2

(where gross operating turnover is less than $2 million)

a. Building Certification
Provision of building certification services.

continued on next page ...

Note – Material accounting policy information (continued)

Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes, which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – **25%**

Land tax – the first $1,075,000 of combined land values attracts **0%**. For the combined land values in excess of $1,075,000 up to $6,571,000 the rate is **$100 + 1.6%**. For the remaining combined land value that exceeds $6,571,000 a premium marginal rate of **$88,036 + 2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of $1,200,000.

In accordance with the Department of Planning, Housing and Infrastructure guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the Department of Climate Change, Energy, the Environment and Water guidelines is not a prerequisite for the payment of the tax equivalent charges; however the payment must not exceed $3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level – gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the relevant corporate income tax rate, currently 25% (21/22 26%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

continued on next page ...

Note – Material accounting policy information (continued)

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

(iii) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses, or to any external entities.

A local government water supply and sewerage businesses is permitted to pay annual dividends from their water supply or sewerage business surpluses.

Each dividend must be calculated and approved in accordance with the Department of Climate Change, Energy, the Environment and Water guidelines and must not exceed:

- 50% of the relevant surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2025 multiplied by $30 (less the payment for tax equivalent charges, not exceeding $3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to Department of Planning, Housing and Infrastructure.

End of Audited Special Purpose Financial Statements.

Central Coast Council

Special Purpose Financial Statements

for the year ended 30 June 2025

Independent Auditor's Report

Please upift Council's Audit Report PDF (opinion) for inclusion in the SPFS report (via the Home screen).

Central Coast Council

SPECIAL SCHEDULES
for the year ended 30 June 2025

A vibrant and sustainable Central Coast

Central Coast Council

Special Schedules
for the year ended 30 June 2025

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Central Coast Council

Permissible income for general rates

$ '000	Notes	Calculation 2024/25	Calculation 2025/26
Notional general income calculation [1]			
Last year notional general income yield	a	212,705	**225,232**
Plus or minus adjustments [2]	b	1,360	**668**
Notional general income	c = a + b	**214,065**	**225,900**
Permissible income calculation			
Rate peg percentage	d	4.80%	**4.30%**
plus rate peg amount [3]	f = d x (c + e)	10,275	**9,714**
Sub-total	g = (c + e + f)	**224,340**	**235,614**
Plus (or minus) last year's carry forward total	h	894	**2**
Sub-total	j = (h + i)	**894**	**2**
Total permissible income	k = g + j	225,234	**235,616**
Less notional general income yield	l	225,232	**235,615**
Catch-up or (excess) result	m = k – l	2	**1**
Carry forward to next year [6]	p = m + n + o	2	**1**

Notes

(1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.

(2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.

(3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).

(6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Central Coast Council

Report on infrastructure assets as at 30 June 2025

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard $ '000	Estimated cost to bring to the agreed level of service set by Council $ '000	2024/25 Required maintenance [a] $ '000	2024/25 Actual maintenance $ '000	Net carrying amount $ '000	Gross replacement cost (GRC) $ '000	Assets in condition as a percentage of gross replacement cost 1	2	3	4	5
Buildings	Buildings	13,978	13,978	21,327	17,627	592,143	1,050,793	20.5%	47.0%	25.2%	7.1%	0.2%
	Sub-total	**13,978**	**13,978**	**21,327**	**17,627**	**592,143**	**1,050,793**	**20.5%**	**47.0%**	**25.2%**	**7.1%**	**0.2%**
Other structures	Other structures	174	174	205	–	11,180	15,863	36.5%	36.8%	20.8%	5.7%	0.2%
	Sub-total	**174**	**174**	**205**	**–**	**11,180**	**15,863**	**36.5%**	**36.8%**	**20.8%**	**5.7%**	**0.2%**
Roads	Roads	30,641	30,641	21,047	15,674	2,472,662	3,640,190	38.8%	40.2%	16.7%	4.1%	0.2%
	Bridges	1,589	1,589	1,770	888	71,942	119,424	20.5%	47.0%	25.2%	7.1%	0.2%
	Footpaths	1,864	1,864	6,054	4,508	300,435	534,560	14.0%	39.2%	45.1%	1.5%	0.2%
	Other road assets including bulk earthworks	–	–	–	–	504,694	504,694	0.0%	0.0%	100.0%	0.0%	0.0%
	Sub-total	**34,094**	**34,094**	**28,871**	**21,070**	**3,349,733**	**4,798,868**	**31.5%**	**36.0%**	**28.8%**	**3.5%**	**0.2%**
Water supply network	Water supply network	41,257	41,257	52,530	25,622	1,440,519	2,785,833	18.4%	36.8%	37.4%	6.9%	0.5%
	Sub-total	**41,257**	**41,257**	**52,530**	**25,622**	**1,440,519**	**2,785,833**	**18.4%**	**36.8%**	**37.4%**	**6.9%**	**0.5%**
Sewerage network	Sewerage network	45,644	45,644	21,283	30,365	1,660,889	2,956,418	14.7%	65.4%	13.1%	6.0%	0.8%
	Sub-total	**45,644**	**45,644**	**21,283**	**30,365**	**1,660,889**	**2,956,418**	**14.7%**	**65.4%**	**13.1%**	**6.0%**	**0.8%**
Stormwater drainage	Stormwater drainage	4,736	4,736	9,491	6,362	1,206,650	1,903,614	19.7%	35.7%	43.2%	1.4%	0.0%
	Sub-total	**4,736**	**4,736**	**9,491**	**6,362**	**1,206,650**	**1,903,614**	**19.7%**	**35.7%**	**43.2%**	**1.4%**	**0.0%**
Open space / recreational assets	Swimming pools	39	39	332	214	7,065	11,206	4.3%	93.2%	0.5%	2.0%	0.0%
	Open Space/Recreational Assets	5,271	5,271	4,190	10,347	180,506	289,303	26.9%	50.5%	15.2%	6.2%	1.2%
	Sub-total	**5,310**	**5,310**	**4,522**	**10,561**	**187,571**	**300,509**	**26.1%**	**52.1%**	**14.7%**	**6.0%**	**1.1%**
Other infrastructure assets	Other	427	427	759	214	32,856	51,112	9.5%	73.9%	13.9%	1.8%	0.9%
	Sub-total	**427**	**427**	**759**	**214**	**32,856**	**51,112**	**9.5%**	**73.9%**	**13.9%**	**1.8%**	**0.9%**
	Total – all assets	**145,620**	**145,620**	**138,988**	**111,821**	**8,481,541**	**13,863,010**	**22.6%**	**43.7%**	**28.5%**	**4.7%**	**0.5%**

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

continued on next page ...

Central Coast Council

Report on infrastructure assets as at 30 June 2025 (continued)

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Central Coast Council

Infrastructure asset performance indicators (consolidated)

as at 30 June 2025

Infrastructure asset performance indicators (consolidated) *

$ '000	Amounts 2025	Indicator 2025	Indicator 2024	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals [1] / Depreciation, amortisation and impairment	226,885 / 190,371	119.18%	96.06%	> 100.00%
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard / Net carrying amount of infrastructure assets	145,620 / 8,872,931	1.64%	2.04%	< 2.00%
Asset maintenance ratio				
Actual asset maintenance / Required asset maintenance	111,821 / 138,988	80.45%	53.81%	> 100.00%
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council / Gross replacement cost	145,620 / 13,863,010	1.05%	1.32%	

(*) All asset performance indicators are calculated using classes identified in the previous table.

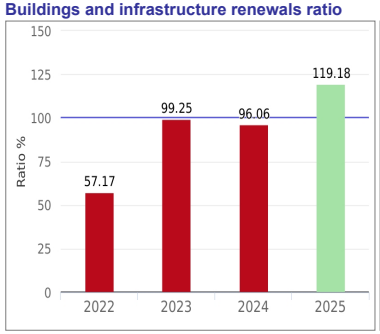
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Central Coast Council

Infrastructure asset performance indicators (Graphs)

as at 30 June 2025

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio	Commentary on result
	24/25 ratio 119.18%
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	Council is maintaining its buildings and infrastructure renewals program. A ratio greater than 1:1 indicates that the amount spent on asset renewals exceeds the amount of depreciation. Council's 2024-25 capital works program focussed on improving this ratio.

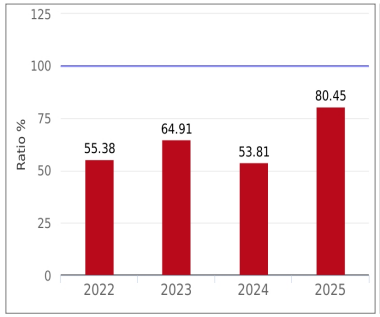
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio	Commentary on result
	24/25 ratio 80.45%
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.	Council remains committed to maintaining its infrastructure assets at appropriate levels.

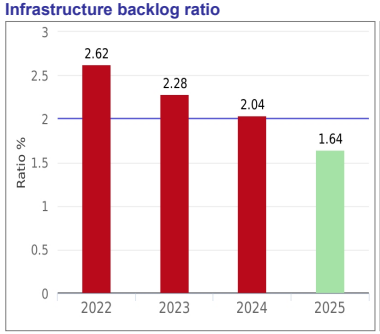
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio	Commentary on result
	24/25 ratio 1.64%
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	The cost to bring to satisfactory continues to decrease as a result of continued focus on renewal works during 2024-25. Council will continue to prioritise delivery and maintenance of assets at affordable and satisfactory standards.

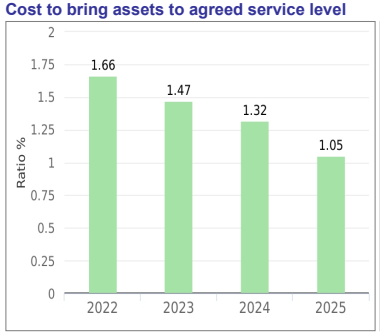
Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level	Commentary on result
	24/25 ratio 1.05%
This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	This is the estimated cost to return those assets currently rated at less than excellent condition, to an excellent condition. As Council has not completed community consultation to determine the agreed service levels, this estimate is equal to the cost to bring to satisfactory.

Central Coast Council

Infrastructure asset performance indicators (by fund)

as at 30 June 2025

Infrastructure asset performance indicators (by fund)

$ '000	General fund 2025	General fund 2024	Water fund 2025	Water fund 2024	Sewer fund 2025	Sewer fund 2024	Benchmark
Buildings and infrastructure renewals ratio							
Asset renewals [1] / Depreciation, amortisation and impairment	**114.70%**	103.63%	**109.67%**	67.19%	**137.57%**	104.73%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard / Net carrying amount of infrastructure assets	**1.05%**	1.66%	**2.69%**	3.07%	**2.58%**	2.17%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance / Required asset maintenance	**85.67%**	45.15%	**48.78%**	38.47%	**142.67%**	118.20%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council / Gross replacement cost	**0.73%**	1.18%	**1.46%**	1.68%	**1.52%**	1.28%	

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

17 December 2024

Our Reference: D16777005
Your Ref: A898435 / MO24-0240

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Locked Bag 3015
NOWRA NSW 2541

Via Email: brett.whitworth@olg.nsw.gov.au

Dear Mr Whitworth,

Central Coast Council – Performance Improvement Order

In accordance with reporting obligations specified in Schedule 2 (clause 2.3) of the Performance Improvement Order dated 19 September 2024, please find below links to:

1. the adopted Code of Meeting Practice - Code of Meeting Practice; and
2. the Councillor and Staff Interaction Policy - Councillor and Staff Interaction Policy

In relation to the Operational Plan and updated Long Term Financial Plan including the quarterly business reporting statement, please refer to Item 2.3 (September 2024 (Q1) Quarterly Operational Plan and Budget Review) and Attachment 1 (2024-25 Q1 Budget Review Statement) included in the business for the Council Meeting held on 26 November 2024. The Council meeting agenda and attachments can be found on our website: HERE

The recommendations in this report were resolved unanimously and can be found in the Council meeting minutes published on our website: HERE.

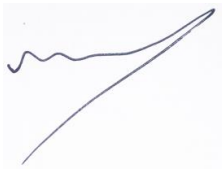
In relation to us of councillor request system, please find below table with total number of requests made by our elected Councillors.

TOTAL OCTOBER TO DECEMBER		
Councillor	**Requests Received**	**# Re-opened**
Cr Helen Crowley	18	
Cr Corinne Lamont	22	2
Cr Margot Castles	30	1
Cr Belinda Neal	19	
Cr Jared Wright	31	
Cr Doug Eaton	10	
Cr Kyle MacGregor	12	
Cr Kyla Daniels	5	
Cr John McNamara	10	
Cr Trent McWaide	4	
Cr John Mouland	2	
Cr Lawrie McKinna	4	
Cr Jane Smith	4	
Cr Sharon Walsh	3	
Cr Rachel Stanton	8	
TOTALS	**182**	**3**

We note that there have been no determinations of acts of disorder made at a council meeting.

Please do not hesitate to contact the writer for anything further.

Yours faithfully,



David Farmer
Chief Executive Officer

Cc. Mr Chris Rowe, Senior Investigator Legal – Via email: chris.rowe@olg.nsw.gov.au

19 March 2025

Our reference: D16737333
Your reference: A898435/MO24-0240

Mr Brett Whitworth
Deputy Secretary Local Government
Office of Local Government
Locked Bag 3015
NOWRA NSW 2541

Email: brett.whitworth@olg.nsw.gov.au

Dear Mr Whitworth,

Central Coast Council – Reporting Obligations under Performance Improvement Order

In accordance with the ongoing reporting obligations specified in Schedule 2 of the Performance Improvement Order (PIO) dated 19 September 2024, please find below links to:

1. December 2024 (Q2) Quarterly Operational Plan and Budget Review; and
2. Q2 Budget Review Statement.

Please note the above was adopted at the Council Meeting held on 25 February 2025. Minutes of this meeting have been published on our website: HERE

Please also note that the above reports were also provided to Audit, Risk and Improvement Committee (ARIC) at the meeting held on 6 March 2025. ARIC endorsed the December 2024 and Quarterly Operational Plan and Budget Review, including the proposed amendments and additions to the Operational Plan actions and indicators as outlined in the report. ARIC also endorsed the amendments to the 2024-25 Full Year Budget as outlined in the report.

In addition, a report regarding the current status of the PIO was provided to ARIC outlining the current status of Council's compliance with the PIO and the procedures enacted for ongoing compliance.

In relation to use of the councillor request system, I note Council provided the data for Q2 undercover of our letter dated 17 December 2024. For your ease of reference, it is provided again below. The data for Q3 (January, February and March 2025) will be provided to you in due course with the Q3 reporting obligations.

TOTAL OCTOBER TO DECEMBER		
Councillor	**Requests Received**	**# Re-opened**
Cr Helen Crowley	18	
Cr Corinne Lamont	22	2
Cr Margot Castles	30	1
Cr Belinda Neal	19	
Cr Jared Wright	31	
Cr Doug Eaton	10	
Cr Kyle MacGregor	12	
Cr Kyla Daniels	5	
Cr John McNamara	10	
Cr Trent McWaide	4	
Cr John Mouland	2	
Cr Lawrie McKinna	4	
Cr Jane Smith	4	
Cr Sharon Walsh	3	
Cr Rachel Stanton	8	
TOTALS	**182**	**3**

We note that there have been no determinations of acts of disorder made at a council meeting to date.

Please do not hesitate to contact the writer for anything further.

Yours sincerely,

David Farmer
Chief Executive Officer

1 May 2025

Ms Ashley Hinds
A/Director, Investigations and Interventions
Office of Local Government
Level 2, 5 O'Keefe Avenue
NOWRA NSW 2541

By email only: Ashley.hinds@olg.nsw.gov.au

Dear Ms Hinds,

Central Coast Council – Reporting Obligations under Performance Improvement Order
Additional information for second compliance report

We refer to the letter from The Hon. Ron Hoenig MP dated 24 March 2025, received by email on the same date, and also to your subsequent email received 26 March 2025.

Thank you for confirming receipt of our second compliance report. As requested, please find below specific commentary on Council's adherence to each action specified in Schedule 2 of the Performance Improvement Order relating to our second compliance report.

Schedule 2

2.1.1 Staffing

(1) Noted. Council has not proposed termination of its Chief Executive Officer.
(2) Delegations to the CEO were amended by resolution and concurrence was sought and received from the Deputy Secretary OLG
(3) No restructures have been proposed.

2.1.2 Financial oversight and discipline

(4) Although the establishment of a mandatory requirement for councillor accreditation would be the responsibility of the OLG, Central Coast Council is in the process of amending its Councillor Facilities and Expenses Policy to include the provision for Councillors to undertake, during the term of office, the Company Directors Course offered by the Australian Institute of Company Directors. Councillors who have previously completed this course may undertake a refresher course or an accredited course of equivalent rigour developed specifically for Local Government Councillors. The outcome of the policy review will be provided in our next report.
(5) No significant changes have been made to Council's priorities direction.
(6) Council has adopted the budget and operations plan for 2024/25. Please refer to our Operational Plan (2024-25) published on our website: LINK.
(7) The Long Term Financial Plan in published on our website: LINK.

Wyong Administration Building: 2 Hely St / PO Box 20 Wyong NSW 2259
P 02 4306 7900 I **W** centralcoast.nsw.gov.au I ABN 73 149 644 003

(8) Council has not made any financial decisions that impact adversely on Council's financial metrics as measured through the OLG's financial indicators.
(9) Council has maintained an appropriate level of unrestricted cash and expended funds only for the purpose for which they are set aside. Please refer to the Annual Report 2023-24 and related Financial Statements for Water Supply Authority and General Purpose published on our website: LINK.
(10) Council has complied with this clause by providing monthly Finance reports to Council which are published on our website: LINK and by providing the Quarterly Business report to Council at the meeting of 26 November 2024. This has previously been provided to the Office of Local Government and has was published on our website: LINK

2.1.3 Governance
(11) Council is ensuring best practice governance standards are implemented and maintained.
(12) Council has not amended its Councillor Staff Interaction Policy.
(13) Council has developed and implemented a Councillor Request system and Council has provided quarterly reports with the relevant data.

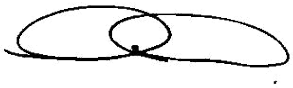
2.1.4 Council meeting practices
(14) Council's Code of Meeting Practice complies with the Model Code of Meeting Practice for Local Councils in NSW.
(15) Council has implemented briefings which are open to the public.
(16) Council meetings are conducted in accordance with our Code of Meeting Practice and decisions are only made at Council Meetings and not at briefings or workshops.

2.2 Reporting for compliance with Order
This is noted.

2.3 Reporting obligations
Central Coast Council has adhered to the reporting obligations outlined in this clause, in particular, Central Coast Council provided the Operational Plan and updated LTFP, the adopted Code of Meeting Practice and the Councillor and Staff Interaction Policy to the Office of Local Government with our first compliance report dated 17 December 2024. Our second compliance report dated 24 March 2025 contained the quarterly requirements as outlined in this clause.

We trust that the above commentary suffices the request from the Minister for Local Government and we will ensure that this commentary is provided in future compliance reports. However, if further information is required, please do not hesitate to contact the writer directly via email: Marissa.Racomelara@centralcoast.nsw.gov.au

Yours sincerely,



Marissa Racomelara
Director Corporate Services

Wyong Administration Building: 2 Hely St / PO Box 20 Wyong NSW 2259
P 02 4306 7900 I **W** centralcoast.nsw.gov.au I ABN 73 149 644 003

11 July 2025

Our reference: D16913230
Your reference: A926238

Mr Brett Whitworth
Deputy Secretary Local Government
Office of Local Government
Locked Bag 3015
NOWRA NSW 2541

By Email Only: Brett.Whitworth@olg.nsw.gov.au; olg@olg.nsw.gov.au
Cc. compliance@olg.nsw.gov.au.

Dear Mr Whitworth,

Central Coast Council – reporting obligations under Performance Improvement Order
Third Quarter Compliance Report – March 2025

We note that Council's second quarter compliance report was provided, in the format requested, on 24 March 2025.

Please find below Council's compliance reporting for the third quarter (March 2025) adopting the new format requested by your office on 26 June 2025.

Report Must Include	Comment
The Quarterly Budget Review Statement	Council continues to comply with this clause. The Q3 (March 2025) Quarterly Operational Plan and Budget Review was adopted at the Council meeting of 27 May 2025. The report attachments including the 2024-25 Q3 Business Report and the Q3 Budget Review Statement are published on our website page: Attachments of Ordinary Council Meeting - Tuesday, 27 May 2025.

<table>
<tr><td>The use of the Councillor Request System</td><td>Council continues to use the Councillor Request system developed and implemented. Please find below the report for number of Councillor Requests received in the quarter January to March 2025.

<table>
<tr><th>Councillor</th><th>Request Received</th><th>Re-Opened</th></tr>
<tr><td>Clr Margot Castles</td><td>25</td><td>0</td></tr>
<tr><td>Clr Helen Crowley</td><td>19</td><td>0</td></tr>
<tr><td>Clr Kyla Daniels</td><td>2</td><td>0</td></tr>
<tr><td>Clr Corinne Lamont</td><td>38</td><td>4</td></tr>
<tr><td>Clr Kyle MacGregor</td><td>12</td><td>0</td></tr>
<tr><td>Mayor Lawrie McKinna</td><td>2</td><td>0</td></tr>
<tr><td>Clr John McNamara</td><td>16</td><td>0</td></tr>
<tr><td>Clr Trent McWaide</td><td>8</td><td>2</td></tr>
<tr><td>Clr John Mouland</td><td>0</td><td>0</td></tr>
<tr><td>Clr Belinda Neal</td><td>40</td><td>3</td></tr>
<tr><td>Clr Jane Smith</td><td>10</td><td>0</td></tr>
<tr><td>Clr Rachel Stanton</td><td>2</td><td>0</td></tr>
<tr><td>Clr Sharon Walsh</td><td>9</td><td>0</td></tr>
<tr><td>Clr Jared Wright</td><td>52</td><td>0</td></tr>
<tr><td>Total</td><td>235</td><td>9</td></tr>
</table></td></tr>
<tr><td>Any determinations of 'Acts of Disorder' made at a Council meeting</td><td>We confirm that there have been no formal acts of disorder at any Council meetings held in the third quarter. However, please refer to Code of Conduct matters raised at the conclusion of this report.</td></tr>
</table>

Actions	Comments
Staffing - 1.1 Council can only terminate its general manager's contract of employment with the concurrence of the Deputy Secretary of the Office of Local Government (OLG),	Council has not proposed termination of its Chief Executive Officer during the third quarter.
Staffing - 1.2 Council can only change its delegations with the concurrence of the Deputy Secretary OLG,	No further delegations to the Chief Executive Officer have been sought during the third quarter.

Staffing - 1.3 Council can only restructure the organisation with the concurrence of the Deputy Secretary OLG,	No restructures have been proposed during the third quarter.
Financial Oversight and Discipline - 2.1 Council must implement any ongoing recommendations from the Public Inquiry. The recommendations made in the report on the review of Council's governance practices under the oversight of the Audit, Risk and Improvement Committee (ARIC),	Council continues to ensure best practice governance standards are implemented and maintained. Regular reports are provided to ARIC in relation to all Council's governance practices including compliance reporting under the Performance Improvement Order.
Financial Oversight and Discipline - 2.2 Council must engage its ARIC on "any significant changes" to council's priorities direction and take into account any recommendations,	Council has not made any significant changes to its priorities. However, it should be noted that Council resolved to undertake a digital transformation through the implementation of the TechnologyOne One Council platform at the June Council Meeting. The costs of implementation are within the Long-Term Financial Plan projections for IT expenditure over the next 10 years. Council has previously provided a report in relation to this matter to ARIC and will continue to keep ARIC informed with regular updates.
Financial Oversight and Discipline - 2.3 Council must implement the adopted budget and operations plan for 2024/25. Any significant changes must be agreed by the Deputy Secretary OLG,	Council's Integrated Planning and Reporting documents, including the Operational Plan were on public exhibition from 1 May 2025 to 2 June 2025. The Operational Plan 2025/26 was adopted by Council at the meeting on 23 June 2025 and is now published on our website. Please refer to the below link. https://www.centralcoast.nsw.gov.au/planning-for-the-future
Financial Oversight and Discipline - 2.4 Council must publicly document the impact of all Council's resolutions on Council's Long Term Financial Plan (LTFP),	The Long-Term Financial Plan is included in Council's Integrated Planning and Reporting documents. As above, the LTFP was adopted and is now published on our website. Please refer to the below link. https://www.centralcoast.nsw.gov.au/planning-for-the-future

Financial Oversight and Discipline 2.5 - Council must not make financial decisions that impact adversely on Council's financial metrics as measured through the Office of Local Government financial indicators,	Council has not made any financial decisions that impact adversely on Council's financial metrics as measured by the OLG's financial indicators.
Financial Oversight and Discipline 2.6 -Council is to maintain an appropriate level of unrestricted cash and expend externally restricted funds only for the purpose for which they are set aside,	Council's position in relation to this point has not changed. Council has maintained an appropriate level of unrestricted cash and expended funds only for the purpose of which they are set aside. Details of our current financial status are provided to Council on a monthly basis including levels of restricted and unrestricted cash. The monthly reports are published on our website: Finance Monthly Reports | Central Coast Council
Financial Oversight and Discipline 2.7 - Council must take necessary steps to ensure timely and accurate financial monitoring and reporting including at a minimum the Quarterly Business Report, which is to be submitted to OLG for review and made clearly available to the community on Council's website,	As stated above, Council continues to comply with this clause by providing monthly Financial reports to Council which are then published on our website on the Finance Monthly Reports page. The Q3 (March 2025) Quarterly Operational Plan and Budget Review was adopted at the Council meeting of 27 May 2025. The report attachments including the 2024-25 Q3 Business Report and the Q3 Budget Review Statement are also published on our website page: Attachments of Ordinary Council Meeting - Tuesday, 27 May 2025.
Governance 3.1a - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that governance standards are maintained,	Extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and Long-Term Financial Plan (LTFP) and appropriately allocated to the Chief Executive Officer to support the maintenance of governance standards.

Governance 3.1b - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that the operational plan can be delivered,	Extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and Long-Term Financial Plan (LTFP) and appropriately allocated to the Chief Executive Officer to support delivery of the adopted Operational Plan and supporting Resourcing Strategies.
Governance 3.1 c - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that infrastructure maintenance meets the operational plan and LTFP requirements	As above, extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and Long-Term Financial Plan (LTFP) and appropriately allocated to the Chief Executive Officer to support the adopted Delivery Program and Operational Plan.
Governance 3.1 d - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that there is consistent improvement in financial ratios	As above, extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and LTFP and appropriately allocated to the CEO to ensure that there is consistent improvement in financial ratios. Best practice standards are maintained through a combination of planning and performance monitoring embedded within our operational processes. Financial ratios are measured and reported to the CEO and Council on a monthly basis and Financial Reports are published on our website: Finance Monthly Reports. Council further notes the recent changes to the approach of financial performance being investigated by the OLG.
Governance 3.2 - Council can only amend its councillor/staff interaction policy with the concurrence of the Deputy Secretary OLG, noting the general manager may update the staff list that can be contacted by councillors,	Council has not amended its Councillor Staff Interaction Policy.

<table>
<tr>
<td>Governance 3.3 - Council must ensure that the general manager develops a councillor request system to manage email requests from councillors. The system should ensure that communications are respectful, the number of requests are reasonable and include provisions permitting the general manager to impose limitations where disrespectful or excessive use of the system occurs,</td>
<td>As advised above, Council continues to use the Councillor Request system developed and implemented. The system is monitored by the Civic Support team who review the Councillor Request to ensure communications are respectful prior to reassigning to the relevant Director. Only a member from the Executive Leadership Team can approve the response to the Councillor. Limitations have not yet been imposed and the data for quarter 3 has been provided above.</td>
</tr>
<tr>
<td>Council Meeting Practices 4.1 - Council must ensure its code of meeting practice complies with the Model Code of Meeting Practice for Local Councils in NSW (the Model Meeting Code),</td>
<td>We note Council's Code of Meeting Practice complies with the current Model Code of Meeting Practice for Local Councils in New South Wales. However, it should be noted that Council is in the process of amending its Code of Meeting Practice. In accordance with the resolutions by Council on 27 May 2025, the Draft Code of Meeting Practice has been published on our website (Projects | Your Voice Our Coast) for public exhibition from 19 June to 31 July 2025. The resolutions adopted are the recommendations made by the Governance and Finance Committee on 13 May 2025. These can be found on our website page: Agendas and Minutes and are also pasted below for ease of reference:
Item 1.5 - Draft Code of Meeting Practice - for Public Exhibition
GFC4/25
That the Committee:
1 Recommends that Council endorses the Draft Code of Meeting Practice provided as Attachment 1 to this report to be placed on public exhibition for a period of 28 days, allowing submissions from the public up to 42 days, with a further report to be presented after the exhibition period.
2 Notes that the Office of Local Government's reform of the Councillor Conduct Framework has not, to date, resulted in a new Model Code of Meeting Practice being prescribed.
The amendments proposed to be made to the Code of Meeting Practice are pasted below for ease of reference.
<table>
<tr><th>Clause</th><th>Proposed Amendment</th><th>Commentary</th></tr>
<tr><td>Clause 9 – Order of business</td><td>Adding "Minutes of Committee meetings" to the order of business.</td><td>As Council has adopted a standing committee structure, it is proposed that the order of business be updated to reflect this, with consideration of committee minutes and</td></tr>
</table>
</td>
</tr>
</table>

			recommendations to follow "Items Considered by Exception".
	Clause 9 - Order of Business	Changing the order of business to allow Mayoral minutes to be considered after "Confirmation of Minutes".	Section 10.7 of the Code of Meeting Practice provides that Mayoral minutes should take precedence over all other business of the Council. The current order of business provides for consideration of any Mayoral minute after items considered by exception. It is proposed any Mayoral minute instead be considered after the minutes of the previous meeting have been confirmed.
	10.20, 10.21 and 10.22 – Laying an item 'on table'	Addition of the following clauses: 10.20 A Councillor may move a Procedural Motion that an item 'lie on the table'. If the motion is successful, no further debate can be undertaken until there is a Procedural Motion for the item to be 'taken off the table'. Such a motion is not debatable and there can be no amendments or right of reply. This motion can be moved only once during the discussion of any substantive motion and if the motion is carried while an amendment is before the Chair, both the	Council's current CoMP does not specifically make reference to this procedural motion. For clarity, and to formalise the future use of this procedure, it is recommended that it be included in the COMP.

		amendment and the original motion are laid on the table. 10.21 At the end of the Council meeting at which the item was 'laid on the table' the chairperson will remind Councillors that there are matter/s 'on the table' which Council may now wish to consider. Otherwise, the matter/s will appear on the agenda and business paper for the next ordinary Council meeting. 10.22 If and when the item is 'taken off the table' debate resumes where it left off, with Councillors who have already spoken (other than the mover in reply) having no further right to speak, unless the procedural motion to take the item 'off the table' calls for the speakers list to be recommenced.	
	The policy will return to Council for adoption at the meeting of August 2025 and we will provide an update in our next compliance report to you. Council further notes the impending release of an updated Model Code Of Meeting Practice and remains ready to respond to any changes once announced.		

Council Meeting Practices 4.2 - Council must ensure councillor briefings are open to the public unless the general manager is satisfied that grounds exist under the Act to exclude members of the public from a briefing to consider information that should not be made public,	We note Council has implemented briefings which are open to the public. Information in relation to the briefings can be found on our webpage Council meetings and Councillor briefing sessions.
Council Meeting Practices 4.3 - Council must conduct its meetings in accordance with its code of meeting practice and must not make decisions at councillor briefings and workshops.	Council meetings are conducted in accordance with our Code of Meeting Practice and decisions are only made at Council meetings and not at briefing sessions or workshops.

Further to the above, please note the following matters as reported:

1. Central Coast Council resolved at the meeting of 27 May 2025 to amend its Councillor Facilities and Expenses Policy to include, amongst other amendments, the provision for Councillors to undertake, during the term of office, the Company Directors Course offered by the Australian Institute of Company Directors. It is noted that Councillors who have previously completed this course may undertake a refresher course or an accredited course of equivalent rigour developed specifically for Local Government Councillors. The updated Councillor Expenses and Facilities Policy adopted by Council on 27 May 2025 is available on our website.

2. Please find below a list of Code of Conduct matters raised.

Ref#	*Complainant*	*Respondent*	*Complaint*	*Status*
325/2024	Staff	Councillor	Conflict of Interest	• OLG referral • External Pre-Preliminary Assessment • Referral for Preliminary Assessment
326/2024	Councillor	Staff	Conflict of Interest	• OLG referral • External Pre-Preliminary Assessment • To be closed out.
332/2024	Councillor	Councillor	Conflict of Interest and Conduct	• OLG referral • External Pre-Preliminary Assessment • Referral for Preliminary Assessment

334/2024	Councillor	Councillor	Conflict of Interest	• OLG referral • External Pre-Preliminary Assessment • To be closed out.
38/2025	Councillor	Councillor	Conflict of Interest	Preliminary Assessment
39/2025	Staff	Councillor	Conduct Conflict of Interest	Investigation
60/2025	Community	Councillor	Conduct	Preliminary Assessment
61/2025	Community	Councillor	Conflict of Interest	OLG referral
117/2025	Community	Councillor	Conduct	Resolved by alternate means. Dismissed.
126/2025	Community x 7	Councillor	Conduct	Preliminary Assessment
127/2025	Councillor	Councillor	Conduct	Preliminary Assessment
141/2025	Community x 10	Councillor	Conduct	Preliminary Assessment
146/2025	Community	Councillor	Conflict of interest	Preliminary Assessment

We trust that the above compliance reporting meets the expectations of the Deputy Secretary, but should the office require any further information, please do not hesitate to contact the Director of Corporate Services, Marissa Racomelara, via email: Marissa.Racomelara@centralcoast.nsw.gov.au or via telephone: 0423 866 373.

Yours faithfully

David Farmer
Chief Executive Officer

16 September 2025

Our reference: D17074784
Your reference: A926238

Mr Brett Whitworth
Deputy Secretary Local Government
Office of Local Government
Locked Bag 3015
NOWRA NSW 2541

By Email: Brett.Whitworth@olg.nsw.gov.au; olg@olg.nsw.gov.au and compliance@olg.nsw.gov.au.

Dear Mr Whitworth,

Central Coast Council – reporting obligations under Performance Improvement Order
Fourth Quarter Compliance Report – June 2025

We note that Council's third quarter compliance report was provided on 11 July 2025.

Please find below Council's compliance reporting for the fourth quarter (June 2025) noting that this will be the final compliance report provided to the Office of Local Government in accordance with the Performance Improvement Order dated 2 September 2024.

<table>
<tr><th>Report Must Include</th><th>Comment</th></tr>
<tr><td>The Quarterly Budget Review Statement</td><td>It is anticipated that the audited Financial Statements for FY2024-25 will be provided to Council at the October Ordinary Meeting scheduled for 28 October 2025. The Financial Statements will be provided to the Office of Local Government shortly thereafter.</td></tr>
<tr><td>The use of the Councillor Request System</td><td>Council continues to use the Councillor Request system developed and implemented. Please find below data for the fourth quarter, April to June 2025.
<table>
<tr><th>Councillor</th><th>Requests Received</th><th>Re-Opened</th></tr>
<tr><td>Cr Belinda Neal</td><td>42</td><td>1</td></tr>
<tr><td>Cr Corinne Lamont</td><td>44</td><td>3</td></tr>
<tr><td>Cr Doug Eaton</td><td>9</td><td></td></tr>
<tr><td>Cr Helen Crowley</td><td>5</td><td></td></tr>
</table>
</td></tr>
</table>

2

	Cr Jane Smith: 2; 0 Cr Jared Wright: 89; 6 Cr John McNamara: 10; 0 Cr John Mouland: 1; 0 Cr Kyla Daniels: 1; 0 Cr Kyle MacGregor: 21; 0 Cr Margot Castles: 25; 0 Cr Rachel Stanton: 10; 1 Cr Sharon Walsh: 1; 0 Cr Trent McWaide: 4; 0 **TOTAL: 264; 11**
Any determinations of 'Acts of Disorder' made at a Council meeting	We confirm that there have been no formal acts of disorder at any Council meetings held in the fourth quarter. However, please refer to Code of Conduct matters raised at the conclusion of this report.

Actions	Comments
Staffing - 1.1 Council can only terminate its general manager's contract of employment with the concurrence of the Deputy Secretary of the Office of Local Government (OLG)	Council did not propose termination of its Chief Executive Officer during the fourth quarter.
Staffing - 1.2 Council can only change its delegations with the concurrence of the Deputy Secretary OLG	No further delegations to the Chief Executive Officer were sought during the fourth quarter.
Staffing - 1.3 Council can only restructure the organisation with the concurrence of the Deputy Secretary OLG	No restructures were proposed during the fourth quarter.
Financial Oversight and Discipline - 2.1 Council must implement any ongoing recommendations from the Public Inquiry. The recommendations made in the report on the review of Council's governance practices under the oversight of the Audit, Risk	Council continues to ensure best practice governance standards are implemented and maintained. Regular reports are provided to ARIC in relation to all Council's governance practices including compliance reporting under the Performance Improvement Order. We confirm that ARIC was provided with an update report at the meeting of 5 June 2025 and that a further update report will be provided at the next meeting to be held on 25 September 2025.

and Improvement Committee (ARIC)	
Financial Oversight and Discipline - 2.2 Council must engage its ARIC on "any significant changes" to council's priorities direction and take into account any recommendations	Council has not made any significant changes to its priorities. However, we note that Council adopted, amongst others, the following recommendation being an amendment post adoption to the Integrated Planning and Reporting documents: 735/25 1. Approves additional employee costs of $203,600 to increase the resourcing of Government Information (Public Access) applications received by Council. Please refer to Minutes of Ordinary Council Meeting - Tuesday, 22 July 2025 for a full list of the post adoption amendments adopted.
Financial Oversight and Discipline - 2.3 Council must implement the adopted budget and operations plan for 2024/25. Any significant changes must be agreed by the Deputy Secretary OLG	The Operational Plan 2025/26 was adopted at the Council meeting held on 23 June 2025 and is now published on our website here: Delivery Program and Operational Plan. However, minor amendments were adopted at the Council meeting held on 22 July 2025. The adopted amendments are listed below: **735/25** That Council: 1 Approves additional employee costs of $203,600 to increase the resourcing for Government Information (Public Access) applications received by Council. 2 Amends the typographical error in the adopted Stormwater Drainage Annual (Service) Charges and updates the Delivery Program 2025-2029 and Operational Plan 2025/26 as follows:

Annual Charge	2025/26 IPART determination
Stormwater Drainage Fixed Charges for Residential Property that is not part of a multi-Premises	$147.76
Stormwater Drainage Fixed Charges Low Impact	$147.76
Stormwater Drainage Area Based Charges – Small	$147.76

3 Adopts the Emergency Coastal Protection Works Fee and updates the Fees and Charges 2025/26 document.
4 Endorses Fee 0651 Hoarding/Scaffolding Fees B class for the purposes of public exhibition from Monday 28 July to Monday 25 August 2025. If no public submissions are received, adopt fee

	and update the Fees and Charges 2025/26 document accordingly. 5 Provides a report for the past 5 years, outlining on an annual basis: a) number of GIPA applications received by Council b) Number of appeals to decisions by Council to refuse access c) Number of these that are appealed – and successful 6 Develops a policy on proactive release of information to our community – and brings the policy back to Council. 7 Includes the total cost of processing GIPA's including any legal costs defending GIPA's at NCAT or IPC over the last five (5) years.
Financial Oversight and Discipline - 2.4 Council must publicly document the impact of all Council's resolutions on Council's Long Term Financial Plan (LTFP)	We refer our previous response and note that the adopted Long-Term Financial Plan included in Council's Integrated Planning and Reporting documents is published on Council's website here: Long Term Financial Plan.
Financial Oversight and Discipline 2.5 - Council must not make financial decisions that impact adversely on Council's financial metrics as measured through the Office of Local Government financial indicators	Council has not made any financial decisions that impact adversely on Council's financial metrics as measured by the OLG's financial indicators.
Financial Oversight and Discipline 2.6 -Council is to maintain an appropriate level of unrestricted cash and expend externally restricted funds only for the purpose for which they are set aside	Council's position in relation to this point has not changed. Council has maintained an appropriate level of unrestricted cash and expended funds only for the purpose of which they are set aside. Details of our current financial status are provided to Council on a monthly basis including levels of restricted and unrestricted cash. The monthly reports are published on our website: Finance Monthly Reports.
Financial Oversight and Discipline 2.7 - Council must take necessary steps to ensure timely and accurate financial monitoring and reporting including at a minimum the Quarterly Business Report, which is to be submitted to OLG for	The Quarterly Business Report for Q1 (September 2024) was presented to Council at the meeting of 26 November 2024. The Quarterly Business Report for Q2 (December 2024) was presented to Council at the meeting of 25 February 2025 and the Quarterly Business Report for Q3 (March 2025) was presented to Council at the meeting of 27 May 2025. The reports mentioned above are published on our website on the Agendas and Minutes page.

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review and made clearly available to the community on Council's website	
Governance 3.1a - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that governance standards are maintained	Extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and Long-Term Financial Plan (LTFP) and appropriately allocated to the Chief Executive Officer to support the maintenance of governance standards.
Governance 3.1b - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that the operational plan can be delivered	Extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and Long-Term Financial Plan (LTFP) and appropriately allocated to the Chief Executive Officer to support delivery of the adopted Operational Plan and supporting Resourcing Strategies.
Governance 3.1 c - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council providing resources to the General Manager to ensure that infrastructure maintenance meets the operational plan and LTFP requirements	As above, extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and Long-Term Financial Plan (LTFP) and appropriately allocated to the Chief Executive Officer to support the adopted Delivery Program and Operational Plan.
Governance 3.1 d - Council is to ensure that best practice governance standards are implemented and maintained. This is to be achieved by Council	As above, extensive efforts were undertaken to ensure that adequate resources were incorporated into the adopted budget and LTFP and appropriately allocated to the CEO to ensure that there is consistent improvement in financial ratios. Best practice standards are maintained through a combination of planning and performance monitoring embedded within our operational processes. Financial ratios are measured and reported to the CEO and Council on a monthly basis and

providing resources to the General Manager to ensure that there is consistent improvement in financial ratios	Financial Reports are published on our website: Finance Monthly Reports. Council further notes the recent changes to the approach of financial performance being investigated by the OLG.
Governance 3.2 - Council can only amend its councillor/staff interaction policy with the concurrence of the Deputy Secretary OLG, noting the general manager may update the staff list that can be contacted by councillors	Council has not amended its Councillor Staff Interaction Policy. However, the Chief Executive Officer has updated the staff list that can be contacted by Councillors to include key staff such as the Chief Technology Officer and Unit Manager People and Culture.
Governance 3.3 - Council must ensure that the general manager develops a councillor request system to manage email requests from councillors. The system should ensure that communications are respectful, the number of requests are reasonable and include provisions permitting the general manager to impose limitations where disrespectful or excessive use of the system occurs	As advised above, Council continues to use the Councillor Request system developed and implemented. The system is monitored by the Civic Support team which reviews the Councillor Request to ensure communications are respectful prior to reassigning to the relevant Director. Only a member from the Executive Leadership Team can approve the response to the Councillor. Limitations have not yet been imposed and the data for quarter four has been provided above. Since the return of Councillors, Council officers have responded to 733 requests, with 89% completed within the Service Level Agreement. This would suggest that the volume for 15 councillors has not been excessive, although we note no specific guidance was provided on that metric. The single highest user of the Councillor Request system made 209 applications for information. By Council directorate, 348 Requests were completed by the Environment and Planning Directorate, 216 by Infrastructure Services, and 101 by Community and Recreation Services.
Council Meeting Practices 4.1 - Council must ensure its code of meeting practice complies with the Model Code of Meeting Practice for Local Councils in NSW (the Model Meeting Code)	We note that the Code of Meeting Practice was on public exhibition from 19 June to 31 July 2025. No submissions were received during public exhibition, and it was recommended for the Code of Meeting Practice to be adopted as exhibited, with no further amendments. This recommendation was adopted at the Ordinary Council Meeting held on 26 August 2025 and the updated Code of Meeting Practice was subsequently published on our website here: Code of Meeting Practice We further note the release of an updated Model Code of Meeting Practice. A report with the updated Code of Meeting Practice will be presented at the September Council meeting. Following, the Code of Meeting Practice will be put on public exhibition and subsequently return to Council for adoption. It is anticipated that the updated Code

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	of Meeting Practice will be presented for adoption at the November Council meeting.

Council Meeting Practices 4.2 - Council must ensure councillor briefings are open to the public unless the general manager is satisfied that grounds exist under the Act to exclude members of the public from a briefing to consider information that should not be made public	We note Council has implemented briefings which are open to the public. Information in relation to the briefings can be found on our webpage Council meetings and Councillor briefing sessions.
Council Meeting Practices 4.3 - Council must conduct its meetings in accordance with its code of meeting practice and must not make decisions at councillor briefings and workshops	Council meetings are conducted in accordance with our Code of Meeting Practice and decisions are only made at Council meetings and not at briefing sessions, workshops or Committee Meetings.

Further to the above, please note the below a list of Code of Conduct matters raised:

Ref#	Complainant	Respondent	Complaint	Status
325/2024	Staff	Councillor	Conflict of Interest	Investigation (ongoing)
326/2024	Councillor	Staff	Conflict of Interest	Dismissed
332/2024	Councillor	Councillor	Conflict of Interest and Conduct	Investigation (ongoing)
334/2024	Councillor	Councillor	Conflict of Interest	Dismissed
38/2025	Councillor	Councillor	Conflict of Interest	Investigation (ongoing)
39/2025	Staff	Councillor	Conduct Conflict of Interest	Investigation (ongoing)
60/2025	Community	Councillor	Conduct	Preliminary Assessment
61/2025	Community	Councillor	Conflict of Interest	OLG referral
117/2025	Community	Councillor	Conduct	Dismissed.
126/2025	Community x 7	Councillor	Conduct	Investigation (ongoing)
127/2025	Councillor	Councillor	Conduct	Preliminary Assessment
141/2025	Community x 10	Councillor	Conduct	Preliminary Assessment
146/2025	Community	Councillor	Conflict of interest	Investigation (ongoing)
2/2025	Community	Councillor	Conduct	Dismissed
37/2025	Staff	Councillor	Conduct	Resolved by alternate means.

168/2025	Community	Councillor	Conduct	Preliminary Assessment
169/2025	Councillor	Councillor	Conduct	Resolved by alternate means
231/2025	Community	Councillor	Conduct	Preliminary Assessment
247/2025	Community	Councillor	Conflict of interest	Preliminary Assessment
248/2025	Staff	Councillor	Conduct / Conflict of Interest	Preliminary Assessment
249/2025	Councillor	Councillor	Conflict of Interest	Dismissed
250/2025	Councillor	Councillor	Conduct	Dismissed
251/2025	Community	Councillor	Conflict of Interest	Investigation (ongoing)
252/2025	Community	Councillor	Conflict of Interest	Investigation (ongoing)
253/2025	Councillor x 2	Staff	Conduct	Preliminary Assessment

We trust that the above compliance reporting meets the expectations of the Deputy Secretary, but should the Office require any further information, please do not hesitate to contact the Director of Corporate Services, Marissa Racomelara, via email: Marissa.Racomelara@centralcoast.nsw.gov.au or via telephone: 0423 866 373.

Yours faithfully

Boris Bolgoff
Acting Chief Executive Officer

Central Coast Council

Code of Meeting Practice

Date Adopted: **xx/xx/20xx**
Revision: **xx**
Policy No.: **CCC001**

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1. Introduction

Policy Objectives

1.1. Council's Code of Meeting Practice is prescribed in accordance with the Model Code of Meeting Practice for Local Councils in NSW, section 360 of the *Local Government Act 1993* (**the Act**) and the *Local Government (General) Regulation 2021* (**the Regulation**).

1.2. Meeting procedures contribute to good public decision-making and increase Council's transparency and accountability to its community.

1.3. Meetings will address matters of policy, direction, resource allocation, statutory decisions and other appropriate Council issues.

1.4. Meetings will be held in an environment which facilitates respect shown for the views of others and regard for the due process of law, reasonableness and fairness.

1.5. Councils are encouraged to hold open Council Meetings as far as practicable and must, to the greatest extent possible, vote by open means (such as by show of hands). In this way, members of the public can witness the conduct of a Council Meeting.

1.6. Members of the public can also investigate the background to Council decisions by inspecting the business papers of the meeting. Through a combination of minutes, public attendance and open meetings, accountability is achieved.

Policy Scope

1.7. This Code applies to all meetings of Council, Committees of Council of which the members are Councillors, and Committees whose members include both Councillors and other persons.

1.8. All Councillors, staff and community members participating in meetings of Council and committees of Council must act in accordance with this Code

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2. Meeting Principles

2.1. Council and committee meetings should be:

2.1.1. ***Transparent*** – Decisions are made in a way that is open and accountable;

2.1.2. ***Informed*** – Decisions are made based on relevant, quality information;

2.1.3. ***Inclusive*** – Decisions respect the diverse needs and interests of the local community;

2.1.4. ***Principled*** – Decisions are informed by the principles prescribed under Chapter 3 of the Act;

2.1.5. ***Trusted*** – The community has confidence that Councillors and staff act ethically and make decisions in the interests of the whole community;

2.1.6. ***Effective*** – Meetings are well organised, effectively run and skilfully chaired;

2.1.7. ***Orderly*** – Councillors, staff and meeting attendees behave in a way that contributes to the orderly conduct of the meeting; and

2.1.8. ***Respectful*** – Councillors, staff and meeting attendees treat each other with respect.

Note: The Office of Local Government has issued a guideline on free speech in local government in NSW. The Guideline provides practical guidance to councils on what free speech means in the context of NSW local government, including in relation to council meetings. The Guidelines have been issued under section 23A of the Act meaning Councillors must consider them when exercising their functions at meetings.

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3. Before the Meeting

Timing of Ordinary Council Meetings

3.1. Ordinary Meetings of Council will be held on the fourth Tuesday of the months of January to November inclusive and on the second Tuesday of the month of December at 2 Hely Street, Wyong commencing at 6.30 PM.

3.2. Where scheduled Ordinary Meetings of Council fall on a Public Holiday, the meeting will be held on the day immediately after the Public Holiday.

Note: Under section 365 of the Act, councils are required to meet at least ten (10) times each year, each time in a different month unless the Minister for Local Government has approved a reduction in the number of times that a council is required to meet each year under section 365A.

Extraordinary Meetings

3.3. If the Mayor receives a request in writing, signed by at least two (2) Councillors, the mayor must call an extraordinary meeting of the council to be held as soon as practicable, but in any event, no more than fourteen (14) days after receipt of the request. The mayor can be one of the two Councillors requesting the meeting.

Note: This clause reflects section 366 of the Act.

3.4. The Mayor may call an extraordinary meeting without the need to obtain the signature of two (2) Councillors.

Notice to the Public of Council Meetings

3.5. The council must give notice to the public of the time, date and place of each of its meetings, including extraordinary meetings, and of each meeting of committees of the council.

Note: This clause reflects section 9(1) of the Act.

3.6. For the purposes of Clause 3.5, notice of a meeting of the council and of a committee of council must be published before the meeting takes place. The notice must be published on the council's website, and in such other manner that the council is satisfied is likely to bring notice of the meeting to the attention of as many people as possible.

3.7. For the purposes of Clause 3.5, notice of more than one (1) meeting may be given in the same notice.

Notice to Councillors of Ordinary Council Meetings

3.8. The Chief Executive Officer must send to each Councillor, at least three (3) days before each meeting of the council, a notice specifying the time, date and place at which the meeting is to be held, and the business proposed to be considered at the meeting.

Note: This clause reflects section 367(1) of the Act.

3.9. The notice and the agenda for, and the business papers relating to, the meeting may be given to Councillors in electronic form, unless the council determines otherwise, but only if all Councillors have facilities to access the notice, agenda and business papers in that form.

Note: This clause reflects section 367(3) of the Act.

Notice to Councillors of Extraordinary Council Meetings

3.10. Notice of less than three (3) days may be given to Councillors of an extraordinary meeting of the council in cases of emergency.

Note: This clause reflects section 367(2) of the Act.

Giving Notice of Business to be Considered at Council Meetings

3.11. A Councillor may give notice of any business they wish to be considered by the council at its next ordinary meeting by way of a notice of motion. To be included on the agenda of the meeting, the notice of motion must be in writing and must be submitted to the Chief Executive Officer using the standard template by 5:00 PM seven (7) business days before the meeting is to be held. A Councillor is limited to submitting one Notice of Motion per Ordinary Meeting under this Clause.

3.12. A Councillor may, in writing to the Chief Executive Officer, request the withdrawal of a notice of motion submitted by them prior to its inclusion in the agenda and business paper for the meeting at which it is to be considered.

Questions With Notice

3.13. A Councillor may, by way of a notice submitted under Clause 3.13, ask a question for response by the Chief Executive Officer about the performance or operations of the council. A Councillor is limited to submitting one Question with Notice per Ordinary Meeting under this Clause. A Question with Notice must not comprise a question with multiple parts to it.

3.14. A Councillor is not permitted to ask a question with notice under Clause 3.13 that would constitute an act of disorder.

3.15. The Chief Executive Officer or their nominee may respond to a question with notice submitted under Clause 3.13 by way of a report included in the business papers for the relevant meeting of the council or orally at the meeting. If the preparation of a response is likely to divert significant time and resources of staff the response will be provided no later than the second Ordinary Meeting of Council following the meeting at which the Question was published.

Agenda and Business Papers for Ordinary Meetings

3.16. The Chief Executive Officer must cause the agenda for a meeting of the council or a committee of the council to be prepared as soon as practicable before the meeting and no later than three (3) days prior to the meeting.

3.17. The Chief Executive Officer must ensure that the agenda for an ordinary meeting of the council states:

(a) all matters to be dealt with arising out of the proceedings of previous meetings of the council, and

(b) if the mayor is the chairperson – any matter or topic that the chairperson proposes, at the time when the agenda is prepared, to put to the meeting, and

(c) all matters, including matters that are the subject of staff reports and reports of committees, to be considered at the meeting, and

(d) any business of which due notice has been given under Clause 3.11

3.18. Nothing in Clause 3.17 limits the powers of the mayor to put a mayoral minute to a meeting without notice under Clause 9.7.

3.19. The Chief Executive Officer must not include in the agenda for a meeting of the council any business of which due notice has been given if, in the opinion of the Chief Executive Officer, the business is, or the implementation of the business would be, unlawful. The Chief Executive Officer must report, without giving details of the item of business, any such exclusion to the next meeting of the council.

3.20. Where the agenda includes the receipt of information or discussion of other matters that, in the opinion of the Chief Executive Officer, is likely to take place when the meeting is closed to the public, the Chief Executive Officer must ensure that the agenda of the meeting:

(a) identifies the relevant item of business and indicates that it is of such a nature (without disclosing details of the information to be considered when the meeting is closed to the public), and

(b) states the grounds under section 10A(2) of the Act relevant to the item of business.

Note: This clause reflects section 9(2A)(a) of the Act.

3.21. The Chief Executive Officer must ensure that the details of any item of business which, in the opinion of the Chief Executive Officer, is likely to be considered when the meeting is closed to the public, are included in a business paper provided to Councillors for the meeting concerned. Such details must not be included in the business papers made available to the public and must not be disclosed by a Councillor or by any other person to another person who is not authorised to have that information.

Availability of the Agenda and Business Papers to the Public

3.22. Copies of the agenda and the associated business papers, such as correspondence and reports for meetings of the council and committees of council, are to be published on the council's website, and must be made available to the public for inspection, or for taking away by any person free of charge at the offices of the council, at the relevant meeting and at such other venues determined by the council.

Note: This clause reflects section 9(2) and (4) of the Act.

3.23. Clause 3.22 does not apply to the business papers for items of business identified under Clause 3.20 as being likely to be considered when the meeting is closed to the public.

Note: This clause reflects section 9(2A)(b) of the Act.

3.24. For the purposes of Clause 3.22, copies of agendas and business papers must be published on the council's website and made available to the public at a time that is as close as possible to the time they are available to Councillors.

Note: This clause reflects section 9(3) of the Act.

3.25. A copy of an agenda, or of an associated business paper made available under Clause 3.22, may in addition be given or made available in electronic form unless the council determines otherwise.

Note: This clause reflects section 9(5) of the Act.

Agenda and Business Papers for Extraordinary Meetings

3.26. The Council must ensure that the agenda for an extraordinary meeting of the Council deals only with the matters stated in the notice of the meeting.

3.27. Nothing in Clause 3.26 limits the powers of the mayor to put a mayoral minute to an extraordinary meeting without notice under Clause 9.7.

3.28. Despite Clause 3.26, business may be considered at an extraordinary meeting of the council at which all Councillors are present, even though due notice has not been given of the business, if the council resolves to deal with the business on the grounds that it is urgent and requires a decision by the council before the next scheduled ordinary meeting of the council. A resolution adopted under this clause must state the reasons for the urgency.

3.29. A motion moved under Clause 3.28 can be moved without notice but only after the business notified in the agenda for the extraordinary meeting has been dealt with. Despite any other provision of this code, only the mover of a motion moved under Clause 3.28, and the chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

3.30. If all Councillors are not present at the extraordinary meeting, the council may only deal with business at the meeting that Councillors have not been given due notice of, where a resolution is adopted in accordance with Clause 3.30 and the chairperson also rules that the business is urgent and requires a decision by the council before the next scheduled ordinary meeting.

3.31. A motion of dissent cannot be moved against a ruling of the chairperson under Clause 3.30 on whether a matter is urgent.

Prohibition of pre-meeting briefing sessions

3.32. Briefing sessions must not be held to brief Councillors on business listed on the agenda for meetings of the council or committees of the council.

Note: The prohibition on the holding of briefing sessions under his clause reflects the intent of Chapter 4, Part 1 of the Act which requires business of the council to be conducted openly and transparently at a formal meeting of which due notice has been given and to which the public has access. Pre-meeting briefing sessions are inconsistent with the principles of transparency, accountability and public participation and have the potential to undermine confidence in the proper and lawful decision-making processes of the council.

3.33. Nothing in Clause 3.33 prevents a Councillor from requesting information from the Chief Executive Officer about a matter to be considered at a meeting, provided the information is also available to the public. Information requested under this clause must be provided in a way that does not involve any discussion of the information.

4. Public Forums

4.1. The council may hold a public forum prior to meetings of the council and committees of the council for the purpose of hearing oral submissions from members of the public on items of business to be considered at the meeting. Public forums may also be held prior to meetings of other committees of the council.

4.2. The conduct of Public Forums is outlined in the Public Forum Policy.

4.3. The provisions of this code requiring the livestreaming of meetings also apply to public forums.

5. Coming Together

Attendance by Councillors at Meetings

5.1. All Councillors must make reasonable efforts to attend meetings of the council and of committees of the council of which they are members.

Note: A Councillor may not attend a meeting as a Councillor (other than the first meeting of the council after the Councillor is elected or a meeting at which the Councillor takes an oath or makes an affirmation of office) until they have taken an oath or made an affirmation of office in the form prescribed under section 233A of the Act.

5.2. The council may determine standards of dress for Councillors when attending meetings.

5.3. A Councillor cannot participate in a meeting of the council or of a committee of the council unless personally present at the meeting, unless permitted to attend the meeting by audio-visual link under this code.

5.4. Where a Councillor is unable to attend one or more meetings of the council or committees of the council, the Councillor should submit an apology for the meetings they are unable to attend, state the reasons for their absence from the meetings and request that the council grant them a leave of absence from the relevant meetings.

5.5. The council must not act unreasonably when considering whether to grant a Councillor's request for a leave of absence.

5.6. Where a Councillor makes an apology under Clause 5.4 the council must determine by resolution whether to grant the Councillor a leave of absence for the meeting for the purposes of section 234(1)(d) of the Act. If the council resolves not to grant a leave of absence for the meeting, it must state the reasons for its decision in its resolution.

5.7. A Councillor's civic office will become vacant if the Councillor is absent from three (3) consecutive ordinary meetings of the council without prior leave of the council, or leave granted by the council at any of the meetings concerned, unless the holder is absent because they have been suspended from office under the Act, or because the council has been suspended under the Act, or as a consequence of a compliance order under section 438HA.

Note: This clause reflects section 234(1)(d) of the Act.

The Quorum for a Meeting

5.8. The quorum for a meeting of Council is a majority of the Councillors of Council who hold office at that time and who are not suspended from office.

Note: This clause reflects section 368(1) of the Act.

5.9. Clause 5.85.8 does not apply if the quorum is required to be determined in accordance with directions of the Minister in a performance improvement order issued in respect of Council.

Note: This clause reflects section 368(2) of the Act.

5.10. A meeting of Council must be adjourned if a quorum is not present:

(a) at the commencement of the meeting where the number of apologies received for the meeting indicates that there will not be a quorum for the meeting, or

(b) within half an hour after the time designated for the holding of the meeting, or

(c) at any time during the meeting.

5.11. In either case, the meeting must be adjourned to a time, date and place fixed:

(a) by the Chairperson, or

(b) in the Chairperson's absence, by the majority of the Councillors present, or

(c) failing that, by the Chief Executive Officer.

5.12. The Chief Executive Officer must record in Council's minutes the circumstances relating to the absence of a quorum (including the reasons for the absence of a quorum) at or arising during a meeting of Council, together with the names of the Councillors present.

5.13. Where, prior to the commencement of a meeting, it becomes apparent that a quorum may not be present at the meeting, or that the health, safety or welfare of Councillors, Council staff and members of the public may be put at risk by attending the meeting because of a natural disaster, or a public health emergency, the Mayor may, in consultation with the Chief Executive Officer and, as far as is practicable, with each Councillor, cancel the meeting. Where a meeting is cancelled, notice of the cancellation must be published on Council's website and in such other manner that Council is satisfied is likely to bring notice of the cancellation to the attention of as many people as possible.

5.14. Where a meeting is cancelled under Clause 5.13, the business to be considered at the meeting may instead be considered, where practicable, at the next Ordinary Meeting of Council or at an Extraordinary Meeting called under Clause 3.6.

Meetings Held by Audio-Visual Link

5.15. A meeting of the council or a committee of the council may be held by audio-visual link where the Mayor determines that the meeting should be held by audio-visual link because of a natural disaster or a public health emergency. The Mayor may only make a determination under this clause where they are satisfied that attendance at the meeting may put the health and safety of Councillors and staff at risk. The mayor must make a determination under this clause in consultation with the Chief Executive Officer and, as far as is practicable, with each Councillor.

5.16. Where the Mayor determines under Clause 5.15 that a meeting is to be held by audio-visual link, the Chief Executive Officer must:

(a) give written notice to all Councillors that the meeting is to be held by audio-visual link, and

(b) take all reasonable steps to ensure that all Councillors can participate in the meeting by audio-visual link, and

(c) cause a notice to be published on the Council's website and in such other manner the Chief Executive Officer is satisfied will bring it to the attention of as many people as possible, advising that the meeting is to be held by audio-visual link and providing information about where members of the public may view the meeting.

5.17. This Code applies to a meeting held by audio-visual link under Clause 5.15 in the same way it would if the meeting was held in person.

Note: Where a council holds a meeting by audio-visual link under Clause 5.16, it is still required under section 10 of the Act to provide a physical venue for members of the public to attend in person and observe the meeting.

Attendance by Councillors at Meetings by Audio-Visual Link

5.18. Councillors may attend and participate in meetings of the council and committees of the council by audio-visual link with the approval of the council or the relevant committee where they are prevented from attending the meeting in person because of ill-health or other medical reasons or because of unforeseen caring responsibilities.

5.19. Clause 5.18 does not apply to meetings at which a mayoral election is to be held.

5.20. A request by a Councillor for approval to attend a meeting by audio-visual link must be made in writing to the Chief Executive Officer prior to the meeting in question and must provide reasons by the Councillor will be prevented for attending the meeting in person.

5.21. Councillors may request approval to attend more than one meeting by audio-visual link. Where a Councillor requests approval to attend more than one meeting by audio-visual link, the request must specify the meetings the request relates to in addition to the information required under Clause 5.20.

5.22. The Council must comply with the Health Privacy Principles prescribed under the *Health Records and Information Privacy Act 2002* when collecting, holding, using and disclosing health information in connection with a request by a Councillor to attend a meeting by audio-visual link.

5.23. A Councillor who has requested approval to attend a meeting of the Council or a Committee of the Council by audio-visual link may participate in the meeting by audio-visual link until the Council or Committee determines whether to approve their request and is to be taken as present at the meeting. The Councillor may participate in a decision in relation to their request to attend the meeting by audio-visual link.

5.24. A decision whether to approve a request by a Councillor to attend a meeting of the Council or a Committee of the Council by audio-visual link must be made by a resolution of the Council or the Committee concerned. The resolution must state the meetings the resolution applies to.

5.25. If the Council or Committee refuses a Councillor's request to attend a meeting by audio-visual link, their link to the meeting is to be terminated.

5.26. A decision whether to approve a Councillor's request to attend a meeting by audio-visual link is at the Council's or the relevant Committee's discretion. The Council and Committees of the Council must act reasonably when considering requests by Councillors to attend meetings by audio-visual link. However, the Council and Committees of the Council are under no obligation to approve a Councillor's request to attend a meeting by audio-visual link where the technical capacity does not exist to allow the Councillor to attend the meeting by these means.

5.27. The Council and Committees of the Council may refuse a Councillor's request to attend a meeting by audio-visual link where the Council or Committee is satisfied that the Councillor has failed to appropriately declare and manage conflicts of interest, observe confidentiality or to comply with the Code on one or more previous occasions they have attended a meeting of the Council or a Committee of the Council by audio-visual link.

5.28. This Code applies to a Councillor attending a meeting by audio-visual link in the same way it would if the Councillor was attending the meeting in person. Where a Councillor is permitted to attend a meeting by audio-visual link under this Code, they are to be taken as attending the meeting in person for the purposes of the Code and will have the same voting rights as if they were attending the meeting in person.

5.29. A Councillor must give their full attention to the business and proceedings of the meeting when attending a meeting by audio-visual link. The Councillor's camera must be on at all times during the meeting except as may be otherwise provided for under this Code.

5.30. A Councillor must be appropriately dressed when attending a meeting by audio-visual link and must ensure that no items are within sight of the meeting that are inconsistent with the maintenance of order at the meeting or that are likely to bring the Council or Committee into disrepute.

Entitlement of the Public to Attend Council Meetings

5.31. Everyone is entitled to attend a meeting of Council and a Committee of Council. Council must ensure that all meetings of Council and Committees of Council are open to the public.

Note: This clause reflects section 10(1) of the Act.

(Section 10(1) of the Act)

5.32. Clause 5.31 does not apply to parts of meetings that have been closed to the public under section 10A of the Act.

5.33. A person (whether a Councillor or another person) is not entitled to be present at a meeting of Council or a Committee of Council or a Public Forum if expelled from the meeting:

(a) by a resolution of the meeting, or

(b) by the person presiding at the meeting if Council has, by resolution, authorised the person presiding to exercise the power of expulsion.

Note: This clause reflects section 10(2) of the Act.

5.34. On the adoption of this Code and at the commencement of each Council term, the Council must determine whether to authorise the person presiding at a meeting to exercise a power of expulsion.

Note: If adopted, Clauses 15.15 and 15.16 confer a standing authorisation on all chairpersons of a meeting of Council or a Committee of Council to expel persons from meetings. If adopted Clause 16.15 authorises chairpersons to expel any person, including a Councillor, from a Council or Committee meeting. Alternatively, if adopted, Clause 16.16 authorises chairpersons to expel persons other than Councillors from a Council or Committee meeting.

Recording and Webcasting of Council Meetings

5.35. Each meeting of Council or Committee of Council is to be recorded by means of an audio or audio-visual device.

5.36. Council may edit or modify any recordings prior to broadcasting. Any such edits or modifications will be notified publicly on Council's website.

5.37. At the start of each meeting of the Council or a Committee of Council, the Chairperson must inform the persons attending the meeting that:

(a) the meeting is being recorded and made publicly available on Council's website, and

(b) persons attending the meeting should refrain from making any defamatory statements.

5.38. The recording of a meeting is to be made publicly available on Council's website at the same time as the meeting is taking place.

5.39. The recording of a meeting is to be made publicly available on Council's website for a least 12 months after the meeting or for the balance of the council's term, whichever is the longer period.

5.40. Clauses 5.35–5.39 do not apply to any part of a meeting that has been closed to the public in accordance with section 10A of the Act.

Note: These clauses reflect section 236 of the Regulation.

5.41. Recordings of meetings may be disposed of in accordance with the *State Records Act 1998*.

Attendance of the Chief Executive Officer and Other Staff at Meetings

5.42. The Chief Executive Officer is entitled to attend, but not to vote at, a meeting of Council or a meeting of a Committee of Council of which all of the members are Councillors.

Note: This clause reflects section 376(1) of the Act.

5.43. The Chief Executive Officer is entitled to attend a meeting of any other Committee of Council and may, if a member of the Committee, exercise a vote.

Note: This clause reflects section 376(2) of the Act.

5.44. The Chief Executive Officer may be excluded from a meeting of Council or a Committee while Council or the Committee deals with a matter relating to the standard of performance of the Chief Executive Officer or the terms of employment of the Chief Executive Officer.

Note: This clause reflects section 376(3) of the Act.

5.45. The attendance of other Council staff at a meeting, (other than as members of the public) shall be determined by the Chief Executive Officer in consultation with the Mayor.

6. The Chairperson

The Chairperson at Meetings

6.1. The Mayor, or at the request of or in the absence of the Mayor, the Deputy Mayor (if any) presides at meetings of Council.

Note: This clause reflects section 369(1) of the Act.

6.2. If the Mayor and the Deputy Mayor (if any) are absent, a Councillor elected to chair the meeting by the Councillors present presides at a meeting of Council.

Note: This clause reflects section 369(2) of the Act.

Election of the Chairperson in the Absence of the Mayor and Deputy Mayor

6.3. If no Chairperson is present at a Meeting of Council at the time designated for the holding of the Council Meeting, the first business of the Council Meeting must be the election of a Chairperson to preside at the meeting.

6.4. The election of a Chairperson must be conducted:

(a) by the Chief Executive Officer or, in their absence, an employee of Council designated by the Chief Executive Officer to conduct the election; or

(b) by the person who called the meeting or a person acting on their behalf if neither the Chief Executive Officer nor a designated employee is present at the meeting, or if there is no Chief Executive Officer or designated employee.

6.5. If, at an election of a Chairperson, two (2) or more candidates receive the same number of votes and no other candidate receives a greater number of votes, the Chairperson is to be the candidate whose name is chosen by lot.

6.6. For the purposes of Clause 6.5 the person conducting the election must:

(a) arrange for the names of the candidates who have equal numbers of votes to be written on similar slips; and

(b) then fold the slips so as to prevent the names from being seen, mix the slips up and draw one of the slips at random.

6.7. The candidate whose name is on the drawn slip is the candidate who is to be the Chairperson.

6.8. Any election conducted under Clause 6.3, and the outcome of the vote, are to be recorded in the minutes of the Council Meeting.

Chairperson to have Precedence

6.9. When the Chairperson rises or speaks during a meeting of Council:

(a) any Councillor then speaking or seeking to speak must cease speaking and, if standing, immediately resume their seat; and

(b) every Councillor present must be silent to enable the Chairperson to be heard without interruption.

7. Mode of Address

7.1. Where physically able to, Councillors and staff should stand when the Mayor enters the chamber and when addressing the meeting.

7.2. If the Chairperson is the Mayor, they are to be addressed as 'Mr Mayor' or 'Madam Mayor' or 'Mayor'.

7.3. If the chairperson is the Deputy Mayor, they are to be addressed as 'Mr Deputy Mayor', or 'Madam Deputy Mayor' or 'Deputy Mayor'.

7.4. Where the Chairperson is not the Mayor or Deputy Mayor, they are to be addressed as either 'Mr Chairperson' or 'Madam Chairperson' or 'Chair'.

7.5. A Councillor is to be addressed as 'Councillor [surname]'.

7.6. A Council officer is to be addressed by their official designation or as Mr/Ms/Mx[surname].

8. Order of Business for Ordinary Council Meetings

8.1. The general Order of Business for an Ordinary Meeting of Council shall be:

8.1.1. Opening the Meeting

8.1.2. Acknowledgement of Country

8.1.3. Apologies/Requests for Leave of Absence

8.1.4. Disclosures of Interest

8.1.5. Confirmation of Minutes

8.1.6. Minutes of the Mayor

8.1.7. Notice of Intention to Deal with Matters in Confidential Session

8.1.8. Items Considered by Exception

8.1.9. Minutes of Committee meetings

8.1.10. Reports of the Chief Executive Officer and the Executive Leadership Team

8.1.11. Notices of Motion

8.1.12. Questions With Notice

8.1.13. Answers to Questions With Notice

8.1.14. Confidential Items

8.1.15. Conclusion of the Meeting

8.2. The Order of Business as fixed under Clause 8.1 may be altered for a particular meeting of Council if a motion to that effect is passed at that meeting. Such a motion can be moved without notice.

8.3. Despite any other provision of this code, only the mover of a motion referred to in Clause 8.2 and the Chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

9. Consideration of Business at Council Meetings

Business that can be Dealt with at a Council Meeting

9.1. Council must not consider business at a meeting of Council:

(a) unless a Councillor has given notice of the business, as required by Clause 3.11; and

(b) unless notice of the business has been sent to the Councillors in accordance with Clause 3.9 in the case of an Ordinary meeting or Clause 3.10 in the case of an Extraordinary Meeting called in an emergency.

9.2. Clause 9.19.1 does not apply to the consideration of business at a meeting, if the business:

(a) is already before, or directly relates to, a matter that is already before Council; or

(b) is the election of a Chairperson to preside at the meeting; or

(c) is a matter or topic put to the meeting by way of a Mayoral Minute; or

(d) is a motion for the adoption of recommendations of a Committee of Council.

9.3. Despite Clause 9.1, business may be considered at a meeting of Council at which all Councillors are present even though due notice has not been given of the

business to Councillors, if the Council resolves to deal with the business on the grounds that it is urgent and requires a decision by the Council before the next scheduled Ordinary meeting. A resolution adopted under this clause must state the reasons for the urgency.

9.4. A motion moved under Clause 9.3 can be moved without notice. Despite any other provision of this Code, only the mover of a motion referred to in Clause 9.3 and the Chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

9.5. If all Councillors are not present at a meeting, Council may only deal with business at the meeting that Councillors have not been given due notice of, where a resolution is adopted in accordance with Clause 9.3, and the Chairperson also rules that the business is urgent and requires a decision by the Council before the next scheduled ordinary meeting.

9.6. A motion of dissent cannot be moved against a ruling by the Chairperson under Clause 9.5.

Mayoral Minutes

9.7. The Mayor may, by minute signed by the Mayor, put to the meeting without notice any matter or topic that the mayor determines should be considered at the meeting.

9.8. A Mayoral Minute, when put to a meeting, takes precedence over all business on Council's agenda for the meeting. The Mayor may move the adoption of a Mayoral Minute without the motion being seconded.

9.9. A recommendation made in a Mayoral Minute put by the Mayor is, so far as it is adopted by Council, a resolution of Council.

Staff Reports

9.10. A recommendation made in a staff report is, so far as it is adopted by Council, a resolution of Council.

Reports of Committees of Council

9.11. The recommendations of a Committee of Council are, so far as they are adopted by Council, resolutions of Council.

9.12. If, in a report of a Committee of Council, distinct recommendations are made, Council may make separate decisions on each recommendation.

Questions

9.13. A question must not be asked at a meeting of Council unless it concerns a matter on the agenda of the meeting or notice has been given of the question in accordance with Clauses 3.11 and 3.13.

9.14. A Councillor may, through the Chairperson, ask another Councillor about a matter on the agenda.

9.15. A Councillor may, through the Mayor, ask the Chief Executive Officer about a matter on the agenda. The Chief Executive Officer may request another council employee to answer the question.

9.16. A Councillor or Council staff to whom a question is put is entitled to be given reasonable notice of the question and, in particular, sufficient notice to enable reference to be made to other persons or to information. Where a Councillor or Council staff to whom a question is put is unable to respond to the question at the meeting at which it is put, they may take it on notice and report the response to the next available meeting of Council.

9.17. Councillors must put questions directly, succinctly, respectfully and without argument.

9.18. The Chairperson must not permit discussion on any reply to, or refusal to reply to, a question put to a Councillor or Council staff.

Laying a Matter on the Table

9.19. A Councillor may move a Procedural Motion that an item 'lie on the table'. If the motion is successful, no further debate can be undertaken until there is a Procedural Motion for the item to be 'taken off the table'. Such a motion is not debatable and there can be no amendments or right of reply. This motion can be moved only once during the discussion of any substantive motion and if the motion is carried while an amendment is before the Chair, both the amendment and the original motion are laid on the table.

9.20. At the end of the Council meeting at which the item was 'laid on the table', the Chairperson will remind Councillors that there are matter/s 'on the table' which Council may now wish to consider. Otherwise, the matter/s will appear on the agenda and business paper for the next ordinary Council meeting.

9.21. If and when an item is 'taken off the table', debate resumes where it left off, with Councillors who have already spoken (other than the mover in reply) having no further right to speak, unless the procedural motion to take the item 'off the table' calls for the speakers' list to be recommenced.

10. Rules of Debate

Motions to be Seconded

10.1. Unless otherwise specified in this Code, a motion or an amendment cannot be debated unless or until it has been seconded.

Notices of Motion

10.2. A Councillor who has submitted a notice of motion under Clause 3.11 is to move the motion the subject of the notice of motion at the meeting at which it is to be considered.

10.3. If a Councillor who has submitted a notice of motion under Clause 3.11 wishes to withdraw it, they may request its withdrawal at any time. If the notice of

motion is withdrawn after the agenda and business paper for the meeting at which it is to be considered have been sent to Councillors, the Chairperson is to note the withdrawal of the notice of motion at the meeting unless the council determines to consider the notice of motion at the meeting.

10.4. In the absence of a Councillor who has placed a notice of motion on the agenda for a meeting of Council:

(a) any other Councillor may, with the leave of the Chairperson, move the motion at the meeting; or

(b) the Chairperson may defer consideration of the motion until the next meeting of Council.

Chairperson's Duties with Respect to Motions

10.5. It is the duty of the Chairperson at a meeting of Council to receive and put to the meeting any lawful motion that is brought before the meeting.

10.6. The Chairperson must rule out of order any motion or amendment to a motion that is unlawful or the implementation of which would be unlawful.

10.7. Before ruling out of order a motion or an amendment to a motion under Clause 10.6, the Chairperson is to give the mover an opportunity to clarify or amend the motion or amendment.

Amendments to Motions

10.8. An amendment to a motion must be moved and seconded before it can be debated.

10.9. An amendment to a motion must relate to the matter being dealt with in the original motion before Council and must not be a direct negative of the original motion. An amendment to a motion which does not relate to the matter being dealt with in the original motion, or which is a direct negative of the original motion, must be ruled out of order by the Chairperson.

10.10. The mover of an amendment is to be given the opportunity to explain any uncertainties in the proposed amendment before a seconder is called for.

10.11. If an amendment has been lost, a further amendment can be moved to the motion to which the lost amendment was moved, and so on, but no more than one (1) motion and one (1) proposed amendment can be before Council at any one time.

10.12. While an amendment is being considered, debate must only occur in relation to the amendment and not the original motion. Debate on the original motion is to be suspended while the amendment to the original motion is being debated.

10.13. If the amendment is carried, it becomes the motion and is to be debated. If the amendment is lost, debate is to resume on the original motion.

10.14. An amendment may become the motion without debate or a vote where it is accepted by the Councillor who moved the original motion.

Limitations on the Number and Duration of Speeches

10.15. A Councillor who, during a debate at a meeting of Council, moves an original motion, has the right to speak on each amendment to the motion and a right of general reply to all observations that are made during the debate in relation to the motion, and any amendment to it at the conclusion of the debate before the motion (whether amended or not) is finally put.

10.16. A Councillor, other than the mover of an original motion, has the right to speak once on the motion and once on each amendment to it.

10.17. A Councillor must not, without the consent of Council, speak more than once on a motion or an amendment, or for longer than five (5) minutes at any one time.

10.18. Despite Clause 10.17, the Chairperson may permit a Councillor who claims to have been misrepresented or misunderstood to speak more than once on a motion or an amendment, and for longer than five (5) minutes on that motion or amendment to enable the Councillor to make a statement limited to explaining the misrepresentation or misunderstanding.

10.19. Despite Clauses 10.15 and 10.16, a Councillor may move that a motion or an amendment be now put:

(a) if the mover of the motion or amendment has spoken in favour of it and no Councillor expresses an intention to speak against it; or

(b) if at least two (2) Councillors have spoken in favour of the motion or amendment and at least two (2) Councillors have spoken against it.

10.20. The Chairperson must immediately put to the vote, without debate, a motion moved under Clause 10.19. A seconder is not required for such a motion.

10.21. If a motion that the original motion or an amendment be now put is passed, the Chairperson must, without further debate, put the original motion or amendment to the vote immediately after the mover of the original motion has exercised their right of reply under Clause 10.15.

10.22. If a motion that the original motion or an amendment be now put is lost, the Chairperson must allow the debate on the original motion or the amendment to be resumed.

10.23. All Councillors must be heard without interruption and all other Councillors must, unless otherwise permitted under this Code, remain silent while another Councillor is speaking.

10.24. Once the debate on a matter has concluded and a matter has been dealt with, the Chairperson must not allow further debate on the matter.

10.25. Clause 10.24 does not prevent a further motion from being moved on the same item of business where the original motion is lost provided the motion is not substantially the same as the one that is lost.

10.26. Debate on any item of business on the agenda or transaction without notice may not continue for more than thirty (30) minutes. At the expiration of this

time, the Chairperson will stop the Councillor speaking at the time and, after permitting the mover of the motion three (3) minutes right of reply, put the motion to Council to be voted on in the following form:

> ***Chairperson**: "The time for debate has expired. Under Council's Code of Meeting Practice, I now invite the mover of the motion to a maximum of three minutes, right of reply, following which I will put the motion to Council for voting."*

10.27. There will be rare occasions when an issue before Council is one of great importance to the whole of the Central Coast when limiting debate appears inappropriate. In these cases, a Councillor must move, ~~prior to the commencement of the debate~~, to remove the time limit on debate contained in Clause 10.26.

11. Voting

Voting Entitlements of Councillors

11.1. Each Councillor is entitled to one (1) vote.

Note: This clause reflects section 370(1) of the Act.

11.2. The person presiding at a meeting of Council has, in the event of an equality of votes, a second or casting vote.

Note: This clause reflects section 370(2) of the Act.

11.3. Where the Chairperson declines to exercise, or fails to exercise, their second or casting vote, in the event of an equality of votes, the motion being voted upon is lost.

Voting at Council Meetings

11.4. A Councillor who is present at a meeting of Council but who fails to vote on a motion put to the meeting is taken to have voted against the motion.

11.5. If a councillor who has voted against a motion put at a council meeting so requests, the Chief Executive Officer must ensure that the councillor's dissenting vote is recorded in the council's minutes.

11.6. All voting at Council Meetings (including meetings that are closed to the public) must be recorded in the minutes of meetings with the names of Councillors who voted for and against each motion or amendment, (including the use of the casting vote), being recorded.

Voting on Planning Decisions

11.7. The Council or a Council Committee must not make a final planning decision without receiving a staff report containing an assessment and recommendation in relation to the matter put before the council for a decision.

11.8. Where the Council or a Council Committee makes a planning decision that is inconsistent with the recommendation made in a staff report, it must provide reasons for its decision and why it did not adopt the staff recommendation.

11.9. The Chief Executive Officer must keep a register containing, for each planning decision made at a meeting of Council or a Council Committee (including, but not limited to a Committee of Council), the names of the Councillors who supported the decision and the names of any Councillors who opposed (or are taken to have opposed) the decision.

11.10. For the purpose of maintaining the register, a division is taken to have been call whenever a motion for a planning decision is put at a meeting of the Council or Council Committee.

11.11. Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document.

11.12. Clauses 11.7–11.11 apply also to meetings that are closed to the public.

Note: These clauses reflect section 375A of the Act.

Note: The requirements of Clause 11.9 may be satisfied by maintaining a register of the minutes of each planning decision.

12. Committee of the Whole

12.1. Council may resolve itself into a Committee to consider any matter before Council.

Note: This clause reflects section 373 of the Act.

12.2. All the provisions of this Code relating to meetings of Council, so far as they are applicable, extend to and govern the proceedings of Council when in Committee of the Whole, except the provisions limiting the number and duration of speeches and encouraging Councillors and staff to stand when addressing the meeting.

Note: Clauses 10.17– 10.18 limit the number and duration of speeches.

Note: Clause 7.1 encourages councillors and staff to stand when addressing the meeting where they can.

12.3. The Chief Executive Officer or, in the absence of the Chief Executive Officer, an employee of Council designated by the Chief Executive Officer, is responsible for reporting to Council the proceedings of the Committee of the Whole. It is not necessary to report the proceedings in full but any recommendations of the Committee must be reported.

12.4. Council must ensure that a report of the proceedings (including any recommendations of the Committee) is recorded in Council's minutes. However, Council is not taken to have adopted the report until a motion for adoption has been made and passed.

13. Dealing with Items by Exception

13.1. Council or a Committee of Council may, at any time, resolve to adopt multiple items of business on the agenda together by way of a single resolution where it considers it necessary to expedite the consideration of business at a meeting, ~~with the exception of items dealing with financial matters of Council, including the Monthly Finance Report and Investment Report.~~

13.2. Before Council or a Committee resolves to adopt multiple items of business on the agenda together under Clause **Error! Reference source not found.**, the Chairperson must list the items of business to be adopted and ask Councillors to identify any of the individual items of business listed by the Chairperson that they intend to vote against the recommendation made in the Business Paper or that they wish to speak on.

13.3. Council or a Committee must not resolve to adopt any item of business under Clause **Error! Reference source not found.** that a Councillor has identified as being one they intend to vote against the recommendation made in the Business Paper or speak on.

13.4. Where the consideration of multiple items of business together under Clause **Error! Reference source not found.** involves a variation to the Order of Business for the Council Meeting, Council or the Committee must resolve to alter the Order of Business in accordance with Clause 8.2.

13.5. A motion to adopt multiple items of business together under Clause **Error! Reference source not found.** must identify each of the items of business to be adopted and state that they are to be adopted as recommended in the business paper.

13.6. Items of business adopted under Clause **Error! Reference source not found.** are to be taken as having been unanimously adopted.

13.7. Councillors must ensure that they declare and manage any conflicts of interest they may have in relation to items of business considered together under Clause **Error! Reference source not found.**.

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14. Closure of Council Meetings to the Public

Grounds on which Meetings can be Closed to the Public

14.1. Council or a Committee of Council may close to the public so much of its meeting as comprises the discussion or the receipt of any of the following types of matters:

(a) personnel matters concerning particular individuals (other than Councillors);

(b) the personal hardship of any resident or ratepayer;

(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business;

(d) commercial information of a confidential nature that would, if disclosed:

i. prejudice the commercial position of the person who supplied it; or

ii. confer a commercial advantage on a competitor of Council; or

iii. reveal a trade secret.

(e) information that would, if disclosed, prejudice the maintenance of law;

(f) matters affecting the security of the Council, Councillors, Council staff or Council property;

(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege;

(h) information concerning the nature and location of a place or an item of Aboriginal significance on community land;

(i) alleged contraventions of the Council's Code of Conduct.

Note: This clause reflects section 10A(1) and (2) of the Act.

14.2. Council or a Committee of Council may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public.

Note: This clause reflects section 10A(3) of the Act.

Matters to be Considered when Closing Meetings to the Public

14.3. A meeting is not to remain closed during the discussion of anything referred to in Clause 14.1:

(a) except for so much of the discussion as is necessary to preserve the relevant confidentiality, privilege or security; and

(b) if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret – unless the Council or Committee concerned is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest.

Note: This clause reflects section 10B(1) of the Act

14.4. A meeting is not to be closed during the receipt and consideration of information or advice referred to in Clause 14.1.(g) unless the advice concerns legal matters that:

(a) are substantial issues relating to a matter in which the Council or Committee is involved, and

(b) are clearly identified in the advice,

(c) are fully discussed in that advice, and

(d) are subject to legal professional privilege

Note: This clause reflects section 10B(2) of the Act.

14.5. If a meeting is closed during the discussion of a motion to close another part of the meeting to the public (as referred to in Clause 14.2), the consideration of the motion must not include any consideration of the matter or information to be discussed in that other part of the meeting other than consideration of whether the matter concerned is a matter referred to in Clause 14.1.

Note: This clause reflects section 10B(3) of the Act.

14.6. For the purpose of determining whether the discussion of a matter in an open meeting would be contrary to the public interest, it is irrelevant that:

(a) a person may misinterpret or misunderstand the discussion; or

(b) the discussion of the matter may:

i. cause embarrassment to the Council or Committee concerned, or to Councillors or to staff of the Council, or

ii. cause a loss of confidence in the Council or Committee.

Note: This clause reflects section 10B(4) of the Act.

14.7. In deciding whether part of a meeting is to be closed to the public, the Council or Committee concerned must consider any relevant guidelines issued by the Departmental Chief Executive of the Office of Local Government.

Note: This clause reflects section 10B(5) of the Act.

Notice of Likelihood of Closure not Required in Urgent Cases

14.8. Part of a meeting of Council, or of a Committee of Council, may be closed to the public while the Council or Committee considers a matter that has not been identified in the agenda for the meeting under Clause 4.22 as a matter that is likely to be considered when the meeting is closed, but only if:

(a) it becomes apparent during the discussion of a particular matter that the matter is a matter referred to in Clause 14.1; and

(b) the Council or Committee, after considering any representations made under Clause 14.9, resolves that further discussion of the matter:

i. should not be deferred (because of the urgency of the matter); and

ii. should take place in a part of the meeting that is closed to the public.

Note: This clause reflects section 10C of the Act.

Representations by Members of the Public

14.9. Council, or a Committee of Council, may allow members of the public to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.

Note: This clause reflects section 10A(4) of the Act.

14.10. A representation under Clause 14.9 is to be made after the motion to close the part of the meeting is moved and seconded.

14.11. Despite clauses 14.9 and 14.10, the Council may resolve to close the meeting to the public in accordance with this Part to hear a representation from a member of the public as to whether the meeting should be closed to consider an item of business where the representation involves the disclosure of information relating to a matter referred to in clause 15.1.

14.12. Where the matter has been identified in the agenda of the meeting under Clause 4.22 as a matter that is likely to be considered when the meeting is closed to the public, in order to make representations under Clause 14.9, members of the public must first make an application to the Council in the approved form. Applications must be received by 10:00 AM on the day of the Council Meeting at which the matter is to be considered.

Expulsion of Non-Councillors from Meetings Closed to the Public

14.13. If a meeting or part of a meeting of the Council or a Committee of the Council is closed to the public in accordance with section 10A of the Act and this Code, any person who is not a Councillor and who fails to leave the meeting when requested, may be expelled from the meeting as provided by section 10(2)(a) or (b) of the Act.

14.14. If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the Council or person presiding, may, by using only such force as is reasonably necessary, remove the first-mentioned person from that place and, if necessary restrain that person from re-entering that place for the remainder of the meeting.

Note: Failure to comply with a direction to leave a meeting is an offence under section 660 of the Act carrying a maximum penalty of 20 penalty units.

Obligations of Councillors Attending Meetings by Audio-Visual Link

14.15. Councillors attending a meeting by audio-visual link must ensure that no other person is within sight or hearing of the meeting at any time that the meeting is closed to the public.

Information to be Disclosed in Resolutions Closing Meetings to the Public

14.16. The grounds on which part of a meeting is closed must be stated in the decision to close that part of the meeting and must be recorded in the minutes of the meeting. The grounds must specify the following:

(a) the relevant provision of section 10A(2) of the Act;

(b) the matter that is to be discussed during the closed part of the meeting;

(c) the reasons why the part of the meeting is being closed, including (if the matter concerned is a matter other than a personnel matter concerning particular individuals, the personal hardship of a resident or ratepayer or a trade secret) an explanation of the way in which discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

Note: This clause reflects section 10D of the Act.

Resolutions Passed at Closed Meetings to be Made Public

14.17. If Council passes a resolution during a Council Meeting, or a part of a meeting, that is closed to the public, the Chairperson must make the resolution public as soon as practicable after the meeting, or the relevant part of the meeting, has ended, and the resolution must be recorded in the publicly available minutes of the meeting.

14.18. Resolutions passed during a Council Meeting, or a part of a meeting, that is closed to the public must be made public by the Chairperson under Clause 14.17 during a part of the meeting that is livestreamed where practicable.

14.19. The Chief Executive Officer must cause business papers for items of business considered during a meeting, or part of a meeting, that is closed to public, to be published on the Council's website as soon as practicable after the information contained in the business papers ceases to be confidential.

14.20. The Chief Executive Officer must consult with the Council and any other affected persons before publishing information on the Council's website under clause 14.19 and provide reasons for why the information has ceased to be confidential.

15. Keeping Order at Meetings

Points of Order

15.1. A Councillor may draw the attention of the Chairperson to an alleged breach of this Code by raising a point of order. A point of order does not require a seconder.

15.2. A point of order must be taken immediately it is raised. The Chairperson must suspend the business before the meeting and permit the Councillor raising the point of order to state the provision of this Code they believe has been breached. The Chairperson must then rule on the point of order – either by upholding it or by overruling it.

Questions of Order

15.3. The Chairperson, without the intervention of any other Councillor, may call any Councillor to order whenever, in the opinion of the Chairperson, it is necessary to do so.

15.4. A Councillor who claims that another Councillor has committed an act of disorder, or is out of order, may call the attention of the Chairperson to the matter.

15.5. The Chairperson must rule on a question of order immediately after it is raised but, before doing so, may invite the opinion of the Council.

15.6. The Chairperson's ruling must be obeyed unless a motion dissenting from the ruling is passed.

Motions of Dissent

15.7. A Councillor can, without notice, move to dissent from a ruling of the Chairperson on a point of order or a question of order. If that happens, the Chairperson must suspend the business before the meeting until a decision is made on the motion of dissent.

15.8. If a motion of dissent is passed, the Chairperson must proceed with the suspended business as though the ruling dissented from had not been given. If, as a result of the ruling, any motion or business has been rejected as out of order, the Chairperson must restore the motion or business to the agenda and proceed with it in due course.

15.9. Despite any other provision of this Code, only the mover of a motion of dissent and the Chairperson can speak to the motion before it is put. The mover of the motion does not have a right of general reply.

Acts of Disorder

15.10. A Councillor commits an act of disorder if the Councillor, at a meeting of the Council or a Committee of the Council:

(a) contravenes the Act, the Regulation or this Code; or

(b) assaults or threatens to assault another Councillor or person present at the meeting; or

(c) moves or attempts to move a motion or an amendment that has an unlawful purpose or that deals with a matter that is outside the jurisdiction of the Council or the Committee, or addresses or attempts to address the Council or the Committee on such a motion, amendment or matter; or

(d) uses offensive or disorderly words, or

(e) makes gestures or otherwise behaves in a way that is sexist, racist, homophobic or otherwise discriminatory, or, if the behaviour occurred in the Legislative Assembly, would be considered disorderly, or

(f) imputes improper motives to or unfavourably personally reflects upon any other council official, or a person present at the meeting, except by a motion, or

(g) says or does anything that would promote disorder at the meeting or is otherwise inconsistent with maintaining order at the meeting.

Note: Clause 15.10 reflects section 182 of the Regulation.

Note: The Legislative Assembly's Speaker's Guidelines state that "Members are not to use language, make gestures, or behave in any way in the Chamber that is sexist, racist, homophobic or otherwise exclusionary or discriminatory. Such conduct may be considered offensive and disorderly, in accordance with Standing Order 74".

15.11. The Chairperson may require a Councillor:

(a) to apologise without reservation for an act of disorder referred to in Clauses 15.10(a), (b), (d), (e) or (g) or

(b) to withdraw a motion or an amendment referred to in Clause 15.10 (c) and, where appropriate, to apologise without reservation; or

(c) to retract and apologise without reservation for any statement that constitutes an act of disorder referred to in Clauses 15.10(d), (e), (f), or (g).

Note: This clause reflects section 233 of the Regulation.

15.12. A failure to comply with a requirement under Clause 15.11 constitutes a fresh act of disorder for the purposes of Clause 15.10.

15.13. Where a Councillor fails to take action in response to a requirement by the Chairperson to remedy an act of disorder under Clause 15.11 at the meeting at which the act of disorder occurred, the Chairperson may require the Councillor to take that action at each subsequent meeting until such time as the Councillor complies with the requirement. If the Councillor fails to remedy the act of disorder at a subsequent meeting, they may be expelled from the meeting under Clause 15.17.

How Disorder at a Meeting may be Dealt With

15.14. If disorder occurs at a meeting of Council, the Chairperson may adjourn the Council Meeting for a period of not more than fifteen (15) minutes and leave the Chair. Council, on reassembling, must, on a question put from the Chairperson, decide without debate whether the business is to be proceeded with or not. This Clause applies to disorder arising from the conduct of members of the public as well as disorder arising from the conduct of Councillors.

Expulsion from Meetings

15.15. All Chairpersons of a Council Meeting and Committees of the Council are authorised under this Code to expel any person other than a Councillor, from a Council or Committee Meeting for the purposes of section 10(2)(b) of the Act. Councillors may only be expelled by resolution of the council or the committee of the council.

15.16. Clause 15.15, does not limit the ability of the council or a committee of the council to resolve to expel a person, including a Councillor, from a Council or Committee meeting, under section 10(2)(a) of the Act.

15.17. A Councillor may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the council for having failed to comply with a requirement under clause 15.11 or clause 15.13. The expulsion of a Councillor from the meeting for that reason does not prevent any other action from being taken against the Councillor for the act of disorder concerned.

Note: Clause 15.17 reflects section 233(2) of the Regulation.

15.18. A member of the public may, as provided by section 10(2)(a) or (b) of the Act, be expelled from a meeting of the Council for engaging in or having engaged in disorderly conduct at the meeting.

15.19. Members of the public attending a meeting of the council:

(a) must remain silent during the meeting unless invited by the chairperson to speak,

(b) must not bring flags, signs or protest symbols to the meeting, and

(c) must not disrupt the meeting.

15.20. Without limiting Clause 15.18, a contravention of Clause 15.19 or an attempt to contravene that Clause, constitutes disorderly conduct for the purposes of clause 15.18. Members of the public may, as provided by section 10(2) of the Act, be expelled from a meeting for a breach of Clause 15.19.

15.21. Where a Councillor or a member of the public is expelled from a meeting, the expulsion and the name of the person expelled, if known, are to be recorded in the minutes of the meeting.

15.22. If a Councillor or a member of the public fails to leave the place where a meeting of the Council is being held immediately after they have been expelled, a police officer, or any person authorised for the purpose by the Council or person presiding, may, by using only such force as is reasonably necessary, remove the Councillor or member of the public from that place and, if necessary, restrain the Councillor or member of the public from re-entering that place for the remainder of the meeting.

Note: Failure to comply with a direction to leave a meeting is an offence under section 660 of the Act carrying a maximum penalty of 20 penalty units.

How Disorder by Councillors Attending Meetings by Audio-Visual Link May be Dealt With

15.23. Where a Councillor is attending a meeting by audio-visual link, the Chairperson or a person authorised by the Chairperson may mute the Councillor's audio link to the meeting for the purposes of enforcing compliance with this Code.

15.24. If a Councillor attending a meeting by audio-visual link is expelled from a meeting for an act of disorder, the Chairperson of the meeting or a person authorised by the Chairperson, may terminate the Councillor's audio-visual link to the meeting.

Use of Mobile Phones and the Unauthorised Recording of Meetings

15.25. Councillors, Council staff and members of the public must ensure that mobile phones are turned to silent during meetings of the Council and Committees of the Council.

15.26. A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting

of the Council or a Committee of the Council without the prior authorisation of the Council or the Committee.

15.27. Without limiting Clause 15.18, a contravention of Clause 15.26 or an attempt to contravene that Clause, constitutes disorderly conduct for the purposes of Clause 15.18. Any person who contravenes or attempts to contravene Clause 15.26, may, as provided under section 10(2) of the Act, be expelled from the Council Meeting.

15.28. If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the Council or person presiding, may, by using only such force as is reasonably necessary, remove the first-mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

Note: Failure to comply with a direction to leave a meeting is an offence under section 660 of the Act carrying a maximum penalty of 20 penalty units.

16. Conflict of Interest

16.1. All Councillors and, where applicable, all other persons, must declare and manage any conflicts of interest they may have in matters being considered at meetings of the Council and Committees of the Council in accordance with the Council's Code of Conduct. All declarations of conflicts of interest must be recorded in the minutes of the meeting at which the declaration was made.

16.2. Councillors attending a meeting by audio-visual link must declare and manage any conflicts of interest they have in matters being considered at the meeting in accordance with the Council's Code of Conduct. Where a Councillor has declared a conflict of interest in a matter being discussed at the meeting, the Councillor's audio-visual link to the meeting must be suspended or terminated and the Councillor must not be in sight or hearing of the meeting at any time during which the matter is being considered or discussed by the Council or Committee, or at any time during which the Council or Committee is voting on the matter.

17. Decisions of the Council

Council decisions

17.1. A decision supported by a majority of the votes at a meeting of Council at which a quorum is present is a decision of the Council.

Note: This clause reflects section 371 of the Act

17.2. Decisions made by the Council must be accurately recorded in the minutes of the meeting at which the decision is made.

Rescinding or Altering Council Decisions

17.3. A resolution passed by Council may not be altered or rescinded except by a motion to that effect of which notice has been given in accordance with this Code.

Note: This clause reflects section 372(1) of the Act.

17.4. If a notice of motion to rescind a resolution is given at the meeting at which the resolution is carried, the resolution must not be carried into effect until the motion of rescission has been dealt with.

Note: This clause reflects section 372(2) of the Act.

17.5. If a motion has been lost, a motion having the same effect must not be considered unless notice of it has been duly given in accordance with this Code.

Note: This clause reflects section 372(3) of the Act.

17.6. A notice of motion to alter or rescind a resolution, and a notice of motion which has the same effect as a motion which has been lost, must be signed by three (3) Councillors if less than three (3) months has elapsed since the resolution was passed, or the motion was lost.

Note: This clause reflects section 372(4) of the Act.

17.7. If a motion to alter or rescind a resolution has been lost, or if a motion which has the same effect as a previously lost motion is lost, no similar motion may be brought forward within (3) three months of the meeting at which it was lost. This Clause may not be evaded by substituting a motion differently worded, but in principle the same.

Note: This clause reflects section 372(5) of the Act.

17.8. The provisions of Clauses 17.5–17.7 concerning lost motions do not apply to motions of adjournment.

Note: This clause reflects section 372(7) of the Act.

17.9. A notice of motion submitted in accordance with Clause 17.6 may only be withdrawn under Clause 3.14 with the consent of all signatories to the notice of motion.

17.10. It should be noted that Council does not currently have delegation to make decisions on development applications as these are made by the Local Planning Panel (**LPP**).

17.11. A motion to alter or rescind a resolution of the Council may be moved on the report of a Committee of the Council and any such report must be recorded in the minutes of the meeting of the Council.

Note: This clause reflects section 372(6) of the Act.

17.12. Subject to Clause 17.7, in cases of urgency, a motion to alter or rescind a resolution of the Council may be moved at the same meeting at which the resolution was adopted, where:

(a) a notice of motion signed by three Councillors is submitted to the Chairperson at the meeting; and

(b) the Council resolves to deal with the motion at the meeting on the grounds that it is urgent and requires a decision by the council before the next scheduled ordinary meeting of the council.

17.13. A motion moved under Clause 17.12(b) can be moved without notice. Despite any other provision of this code, only the mover of a motion referred to in clause 18.12(b) and the Chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

17.14. A resolution adopted under clause 17.12(b) must state the reasons for the urgency.

Recommitting Resolutions to Correct an Error

17.15. Despite the provisions of this Part, a Councillor may, with the leave of the Chairperson, move to recommit a resolution adopted at the same meeting:

(a) to correct any error, ambiguity or imprecision in the Council's resolution; or

(b) to confirm the voting on the resolution.

17.16. In seeking the leave of the Chairperson to move to recommit a resolution for the purposes of Clause 17.15.(a), the Councillor is to propose alternative wording for the resolution.

17.17. The Chairperson must not grant leave to recommit a resolution for the purposes of Clause 17.15(a), unless they are satisfied that the proposed alternative wording of the resolution would not alter the substance of the resolution previously adopted at the meeting.

17.18. A motion moved under Clause 17.15 can be moved without notice. Despite any other provision of this Code, only the mover of a motion referred to in clause 17.15 and the Chairperson, if they are not the mover of the motion, can speak to the motion before it is put.

17.19. A motion of dissent cannot be moved against a ruling by the Chairperson under Clause 17.15.

17.20. A motion moved under Clause 17.15 with the leave of the Chairperson cannot be voted on unless or until it has been seconded.

18. Time Limits on Council Meetings

18.1. Meetings of Council and Committees of the Council are to conclude no later than 10:00 PM on the night of the meeting.

18.2. If the business of the Meeting is unfinished at 10:00 PM, Council or the Committee may, by resolution, extend the time of the Ordinary Meetings of Council.

18.3. An extension granted under Clause 18.2 will extend the meeting time by 30 minutes with a maximum of two (2) extensions per meeting.

18.4. If the business of the Meetings is unfinished ~~at 10:30 PM~~ and Council does not resolve to extend the Meeting, the Chairperson must either:

(a) defer consideration of the remaining items of business on the Agenda to the next Ordinary Meeting of Council; or

(b) adjourn the Meeting of Council to a time, date and place fixed by the Chairperson.

18.5. Clause 18.4 does not limit the ability of Council or a Committee of the Council to resolve to adjourn a Meeting at any time. Any such resolution adjourning the Meeting must fix the time, date and place that the Meeting is to be adjourned to.

18.6. Where an adjournment is made under Clause 18.4 or Clause 18.5, the Chief Executive Officer must:

(a) individually notify each Councillor of the time, date and place at which the Meeting will reconvene: and

(b) publish the time, date and place at which the Meeting will reconvene on Council's website and in such other manner that the Chief Executive Officer is satisfied is likely to bring notice of the time, date and place of the Reconvened Meeting to the attention of as many people as possible.

19. After the Meeting

Minutes of Meetings

19.1. Council is to keep full and accurate minutes of the proceedings of meetings of the Council.

Note: This clause reflects section 375(1) of the Act.

19.2. At a minimum, the Chief Executive Officer must ensure that the following matters are recorded in the Council's minutes:

(a) the names of Councillors attending a Council Meeting and whether they attended the meeting in person or by audio-visual link;

(b) details of each motion moved at a Council Meeting and of any amendments moved to it;

(c) the names of the mover and seconder of the motion or amendment;

(d) whether the motion or amendment was passed or lost; and

(e) such other matters specifically required under this Code.

19.3. The minutes of a Council Meeting must be confirmed at a subsequent meeting of the Council.

Note: This clause reflects section 375(2) of the Act.

19.4. Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.

19.5. When the minutes have been confirmed, they are to be signed by the person presiding at the subsequent meeting.

Note: This clause reflects section 375(2) of the Act.

19.6. The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this Clause must not alter the substance of any decision made at the meeting.

19.7. The confirmed minutes of a Council Meeting must be published on Council's website. This Clause does not prevent Council from also publishing unconfirmed minutes of its meetings on its website prior to their confirmation.

Access to Correspondence and Reports Laid on the Table at, or Submitted to, a Meeting

19.8. Council and Committees of Council must, during or at the close of a meeting, or during the business day following the meeting, give reasonable access to any person to inspect correspondence and reports laid on the table at, or submitted to, the meeting.

Note: This clause reflects section 11(1) of the Act.

19.9. Clause 19.8 does not apply if the correspondence or reports relate to a matter that was received or discussed or laid on the table at, or submitted to, the meeting when the meeting was closed to the public.

Note: This clause reflects section 11(2) of the Act.

19.10. Clause 19.8 does not apply if the Council or the Committee resolves at the meeting, when open to the public, that the correspondence or reports are to be treated as confidential because they relate to a matter specified in section 10A(2) of the Act.

Note: This clause reflects section 11(3) of the Act.

19.11. Correspondence or reports to which Clauses 19.9 and 19.10 apply are to be marked with the relevant provision of section 10A(2) of the Act that applies to the correspondence or report.

Implementation of Decisions of the Council

19.12. The Chief Executive Officer is to implement, without undue delay, lawful decisions of the Council.

Note: This clause reflects section 335(b) of the Act.

20. Council Committees

Application of this Part

20.1. This Part only applies to Committees of the Council whose members are all Councillors.

Council Committees whose Members are all Councillors

20.2. Council may, by resolution, establish such Committees as it considers necessary.

20.3. A Committee of Council is to consist of the Mayor and such other Councillors as are elected by the Councillors or appointed by the Council.

20.4. The quorum for a meeting of a Committee of the Council is to be:

(a) such number of members as the Council decides; or

(b) if the Council has not decided a number – a majority of the members of the Committee.

Functions of Committees

20.5. Council must specify the functions of each of its Committees when the Committee is established, but may from time to time amend those functions by resolution of Council.

Notice of Committee Meetings

20.6. The Chief Executive Officer must send to each Councillor, regardless of whether they are a Committee member, at least three (3) days before each meeting of the Committee, a notice specifying:

(a) the time, date and place of the meeting; and

(b) the business proposed to be considered at the meeting.

20.7. Notice of less than three (3) days may be given of a Committee meeting called in an emergency.

Non-Members Entitled to Attend Committee Meetings

20.8. A Councillor who is not a member of a Committee of the Council is entitled to attend and to speak at a meeting of the Committee. However, the Councillor is not entitled:

(a) to give notice of business for inclusion in the agenda for the meeting; or

(b) to move or second a motion at the meeting; or

(c) to vote at the meeting.

Chairperson and Deputy Chairperson of Council Committees

20.9. The Chairperson of each Committee of the Council must be:

(a) the Mayor; or

(b) if the Mayor does not wish to be the Chairperson of a Committee, a member of the Committee elected by the Council; or

(c) if the Council does not elect such a member, a member of the Committee elected by the Committee.

20.10. Council may elect a member of a Committee of the Council as Deputy Chairperson of the Committee. If the Council does not elect a deputy

chairperson of such a Committee, the Committee may elect a Deputy Chairperson.

20.11. If neither the Chairperson nor the Deputy Chairperson of a Committee of the Council is able or willing to preside at a meeting of the Committee, the Committee must elect a member of the Committee to be acting Chairperson of the Committee.

20.12. The Chairperson is to preside at a meeting of a Committee of the Council. If the Chairperson is unable or unwilling to preside, the Deputy Chairperson (if any) is to preside at the meeting, but if neither the Chairperson nor the Deputy Chairperson is able or willing to preside, the acting Chairperson is to preside at the meeting.

Procedure in Committee Meetings

20.13. Subject to any specific requirements of this code, each Committee of Council may regulate its own procedure. The provisions of this code are to be taken to apply to all Committees of Council.

20.14. Whenever the voting on a motion put to a meeting of the Committee is equal, the Chairperson of the Committee is to have a casting vote as well as an original vote unless Council or the Committee determines otherwise in accordance with Clause 20.13.

20.15. Voting at a Council Committee meeting is to be by open means (such as on the voices, by show of hands or by a visible electronic voting system).

Mayoral Minutes

20.16. The provisions of this Code relating to Mayoral minutes also apply to meetings of Committees of Council in the same way they apply to meetings of the Council.

Closure of Committee Meetings to the Public

20.17. The provisions of the Act and Part 14 of this Code apply to the closure of meetings of Committees of the Council to the public in the same way they apply to the closure of meetings of the Council to the public.

20.18. If a Committee of the Council passes a resolution, or makes a recommendation, during a meeting, or a part of a meeting that is closed to the public, the Chairperson must make the resolution or recommendation public as soon as practicable after the meeting or part of the meeting has ended, and report the resolution or recommendation to the next meeting of the Council. The resolution or recommendation must also be recorded in the publicly available minutes of the meeting.

20.19. Resolutions passed during a meeting, or a part of a meeting that is closed to the public must be made public by the Chairperson under Clause 20.18 during a part of the meeting that is livestreamed where practicable.

20.20. The Chief Executive Officer must cause business papers for items of business considered during a meeting, or part of a meeting, that is closed to public, to be published on the Council's website as soon as practicable after the information contained in the business papers ceases to be confidential.

20.21. The Chief Executive Officer must consult with the Committee and any other affected persons before publishing information on the Council's website under Clause 20.20 and provide reasons for why the information has ceased to be confidential.

Disorder in Committee Meetings

20.22. The provisions of the Act, the Regulation, and this Code relating to the maintenance of order in Council Meetings apply to meetings of Committees of the Council in the same way as they apply to meetings of the Council.

Minutes of Council Committee Meetings

20.23. Each Committee of the Council is to keep full and accurate minutes of the proceedings of its meetings. At a minimum, a Committee must ensure that the following matters are recorded in the Committee's minutes:

(a) the names of Councillors attending a meeting and whether they attended the meeting in person or by audio-visual link;

(b) details of each motion moved at a meeting and of any amendments moved to it;

(c) the names of the mover and seconder of the motion or amendment;

(d) whether the motion or amendment was passed or lost; and

(e) such other matters specifically required under this Code.

20.24. All voting at meetings of Committees of the Council (including meetings that are closed to the public), must be recorded in the minutes of meetings with the names of Councillors who voted for and against each motion or amendment, (including the use of the casting vote), being recorded.

20.25. The minutes of meetings of each Committee of the Council must be confirmed at a subsequent meeting of the Committee.

20.26. Any debate on the confirmation of the minutes is to be confined to whether the minutes are a full and accurate record of the meeting they relate to.

20.27. When the minutes have been confirmed, they are to be signed by the person presiding at that subsequent meeting.

20.28. The confirmed minutes of a meeting may be amended to correct typographical or administrative errors after they have been confirmed. Any amendment made under this Clause must not alter the substance of any decision made at the meeting.

20.29. The confirmed minutes of a meeting of a Committee of the Council must be published on Council's website. This Clause does not prevent the Council from

also publishing unconfirmed minutes of meetings of Committees of Council on its website prior to their confirmation.

21. Irregularities

21.1. Proceedings at a meeting of a Council or a Council Committee are not invalidated because of:

(a) a vacancy in a civic office; or

(b) a failure to give notice of the meeting to any Councillor or Committee member; or

(c) any defect in the election or appointment of a Councillor or Committee member; or

(d) a failure of a Councillor or a Committee member to declare a conflict of interest, or to refrain from the consideration or discussion of, or vote on, the relevant matter, at a Council or Committee meeting in accordance with the Council's Code of Conduct; or

(e) a failure to comply with this Code.

Note: This clause reflects section 374 of the Act.

Records management

21.2. Staff must maintain all records relevant to administering this protocol in accordance with Council's Information and Records Management Policy.

22. Policy Definitions

the Act:	means the Local Government Act 1993.
Act of Disorder:	means an act of disorder as defined in Clause 15.10 of this Code.
Amendment:	in relation to an original motion, means a motion moving an amendment to that motion.
Audio Recorder:	any device capable of recording speech.
Audio-Visual Link:	means a facility that enables audio and visual communication between persons at different places.
Business Day:	means any day except Saturday or Sunday or any other day the whole or part of which is observed as a public holiday throughout New South Wales.
Chairperson:	(a) in relation to a meeting of Council - means the person presiding at the meeting as provided by section 369 of the Local Government Act 1993; and Clauses 6.1 and 0 of this Code; and (b) in relation to a meeting of a Committee of the Council - means the person presiding at the meeting as provided by Clause 20.9 of this Code.
Chief Executive Officer (CEO):	is the Chief Executive Officer of Central Coast Council who undertakes the functions of the General Manager under the Local Government Act 1993, or in the absence of that person, the staff designated to act for the Chief Executive Officer. Where this Code refers to General Manager it represents Chief Executive Officer and simply reflects the legislation.
this Code	means Council's Code of Meeting Practice adopted by Council pursuant to the Local Government Act 1993.
Committee of the Council:	means a Committee established by the Council in accordance with Clause 20.2 of this Code (being a Committee consisting only of Councillors) or the Council when it has resolved itself into Committee of the Whole under Clause 12.1.
Council Official:	has the same meaning it has in Council's Code of Conduct.
Day:	means calendar day, unless otherwise stipulated by the Act, Regulations or this Code.
Livestream	a video broadcast of a meeting transmitted across the internet concurrently with the meeting
Open Voting:	means voting on the voices or by a show of hands or by a visible electronic voting system or similar means.
Planning Decision:	means a decision made in the exercise of a function of a Council under the Environmental Planning and Assessment Act 1979

	including any decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but not including the making of an order under Division 9.3 of Part 9 of that Act.
Performance Improvement Order:	means an order issued under section 438A of the Act.
Quorum:	means the minimum number of Councillors of Committee members necessary to conduct a Council Meeting.
Regulation:	means the Local Government (General) Regulation 2021.
Year:	means the period beginning 1 July and ending the following 30 June.

23. Policy Administration

Business Group	Corporate Services
Responsible Officer	Director Corporate Services
Associated Procedure (if any, reference document(s) number(s))	Nil
Policy Review Date	Four years from date of adoption unless legislated otherwise
File Number / Document Number	D17074053
Relevant Legislation (reference specific sections)	This Policy supports Council's compliance with the following legislation: ▪ *Local Government Act 1993 (NSW)* ▪ *Local Government (General) Regulation 2021*
Link to Community Strategic Plan	Theme: Our Leadership LE1.2: Adhere to regulatory and compliance activities for community benefit and to drive a well-functioning organisation
Related Policies / Protocols / Procedures / Documents (reference document numbers)	▪ Information and Records Management Policy ▪ Code of Conduct ▪ Delegations Register ▪ NSW Government Guideline - Free Speech in Local Government in NSW (June 2025)

24. Policy Authorisations

No.	Authorised Function	Authorised Business Unit / Role(s)
1	Approve Notices of Motion and Councillor Requests for Information	Chief Executive Officer or their delegate
2	Considers that a Notice of Motion submitted by a Councillor for consideration at an Ordinary Meeting of Council has legal, strategic, financial or policy implications	Chief Executive Officer or their delegate
3	Identified under Clause 3.22 business that is likely to be considered when the meeting is closed to the public.	Chief Executive Officer or their delegate

25. Policy History

Revision	Date Approved / Authority	Description Of Changes
1	September 2016	Creation of Central Coast Council Code of Meeting Practice.
2	26 July 2017	Minor amendments to update Code.
3	27 November 2017	Amendments re meeting frequency and times.
4	12 February 2018	Amendments taking into consideration feedback received.
5	24 September 2018	Additions to items resolved by exception, public speakers and time limit.
6	11 June 2019	Amended in accordance with the Model Code of Meeting Practice for Local Councils in NSW
7	28 September 2020	Amending location of where Ordinary Council meetings are held and other minor amendments to update Code.
8	27 April 2021	Amending location of where Ordinary Council meetings are held, providing for timing of meeting during Administration period and amend provision regarding publication of Agenda Paper. Restrictions as to number of Notices of Motion and Questions with Notice. Requirement for identification of source of funds for Notices of Motion and Mayoral Minutes. Requirement for consultation regarding source of funds for Notices of Motion and Mayoral Minutes. Requirement that Councillors make effort to attend pre-meeting briefings. Restriction on items that can be resolved by exception.
9	22 February 2022	Amending to reflect changes to the Model Code of Meeting Practice for NSW Councils. Amending frequency of Ordinary Council Meetings to monthly. Removal of Part 4 – Public Forums.
10	23 July 2024 Min. No. 275/24	Amending policy to incorporate in the new policy template and reinstating the provisions of the Public Forum Policy to align with the Model Code of Meeting Practice.
11	26 August 2025 Min. No. 762/25	Amended to reflect changes as a result of coming out of administration and having an elected body once again.

MCG QUANTITY SURVEYORS

PRELIMINARY COST PLAN REPORT



YOUR PROPERTY OUR EXPERTISE

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April 9, 2018

Katherine Simmons
Central Coast Council
PO Box 20
Wyong NSW 2259

RE: Preliminary Cost Plan - 20 Lake Road, Tuggerah NSW 2259

Dear Katherine,

MCG Quantity Surveyors have prepared the following Preliminary Cost Plan for Central Coast Council, and not in any other capacity.

1.0 Development Location

Development Type:	Regional Sporting and Recreation Complex
Client Details:	Central Coast Council
Address:	20 Lake Road
Suburb:	Tuggerah NSW 2259

1.1 Development Summary

The development consist of a regional sporting and recreation complex comprising of six (6) basketball courts, large podium levels, commercial areas and grandstand facilities.

Please note the attached Indicative Preliminary Cost Plan has been calculated from the total development costs. Therefore this only provides a broad indication of the likely percentages of the total development cost against each of the projects trade elements.

2.0 Financial Summary

MCG Quantity Surveyors believe that the attached Preliminary Cost Plan and subsequent development cost, reflects a fair and competitive cost to complete the proposed development, based on the material provided to our offices.

The MCG Quantity Surveyors Preliminary Cost Plan for construction costs totals $25,003,950 exclusive of GST or $27,504,345 inclusive of GST, with a further $1,250,198 payable in consultants fees.

When a contingency allowance of $1,750,277 is applied, the total development cost totals $28,004,424 exclusive of GST or $30,804,866 inclusive of GST.

Trade	Total GST Exclusive	Total GST Inclusive
Sporting Complex	21,027,750	23,130,525
Grandstand	3,976,200	4,373,820
Sub Total	**25,003,950**	**27,504,345**
Consultant Fees	1,250,198	1,375,217
Contingency	1,750,277	1,925,304
Total	**28,004,424**	**30,804,866**

The development consists of a total gross floor area (fully enclosed and unenclosed covered area) of 16,045 square metres.

3.0 Construction Program

MCG Quantity Surveyors anticipate a period of 36 months to be appropriate for the construction of a development of this scope and nature.

4.0 Descriptive Summary

The development involves the construction of a Regional Sporting and Recreation Complex located at 20 Lake Road, Tuggerah NSW 2259.

An appropriate level of finishes and quality has been allocated to the development.

Please refer to attached Schedule of Finishes and Assumptions which have been included for within the MCG Quantity Surveyors Indicative Elemetal Estimate.

The development construction cost per square metre of gross floor area (fully enclosed covered area and unenclosed covered area) is $1,745 exclusive of GST or $1,920 inclusive of GST.

5.0 Disclaimer

MCG Quantity Surveyors have prepared this report on the basis of information supplied by Central Coast Council.

Whilst all professional care and skill have been exercised to ensure the accuracy of this report, MCG Quantity Surveyors are unable to provide any guarantee on any estimates relying on information provided by the client or other third party, and will not be liable to any party for any loss arising as a result of any such information subsequently being found to be inaccurate or lacking authenticity.

6.0 Report Conclusion

It is the recommendation of MCG Quantity Surveyors that the contents of the aforementioned report be treated as advice on the likely construction cost of the development, and is not a reflection of the current market valuation of the development.

Please do not hesitate to contact our office should you have any further queries.

Yours Sincerely,



Marty Sadlier
Director
MCG Quantity Surveyors

Schedule of Finishes

The following is a schedule of the finishes assumed by MCG Quantity Surveyors in the preparation of the Preliminary Cost Plan.

- Concrete suspended upper floor slabs
- Polished concrete finishes to podium levels
- Feature screens to external façade
- Structural steel portal frame to court areas
- Concrete external walls and large glazed panels
- Timber sprung court floors

Schedule of Information

The following is a schedule of the information used by MCG Quantity Surveyors in the preparation of the Preliminary Cost Plan.

- Written and verbal information provided by Central Coast Council
- Architectural Drawings: Job Number: 1501; Drawing Number: DA - 001 to DA - 003, rev A, dated 1st of June 2016; DA - 101 to DA - 103, rev A, dated 1st of June 2016; DA - 201 to DA - 204, rev A, dated 1st of June 2016; DA - 401, rev A, dated 1st June 2016; as prepared by CKDS Architecture Pty Ltd.

Schedule of Exclusions

The following is a schedule of the exclusions within the MCG Quantity Surveyors preparation of the Preliminary Cost Plan.

- Design contingency
- Land and legal costs
- Rise and fall
- Holding costs and interest charges
- Unknown ground conditions
- Goods and services tax
- Leasing and marketing costs
- Finance costs
- Removal of hazardous materials and contaminated soils
- Staging, phasing or delay costs
- Cost increase beyond June 2019
- Works not clearly noted on the provided plan documentation
- Electrical Sub Station
- All authority fees

Indicative Preliminary Cost Plan

MCG QUANTITY SURVEYORS

Indicative Preliminary Cost Plan

Development Type: Regional Sporting and Recreation Complex
Development Address: 20 Lake Road, Tuggerah NSW 2259
Gross Floor Area: 16,045 m2

No	Trade Description	% Job	Cost ($/m2)	Total Cost Excl GST	Total Cost Incl GST
	Trade Breakup				
1	Preliminaries & Margin	15.10	235.31	3,775,596	4,153,156
2	Substructure	12.50	194.80	3,125,494	3,438,043
	Superstructure				
3	Columns	4.90	76.36	1,225,194	1,347,713
4	Upper Floors	7.80	121.55	1,950,308	2,145,339
5	Staircases	0.40	6.23	100,016	110,017
6	Roof	9.50	148.04	2,375,375	2,612,913
7	External Walls & Glazing	12.50	194.80	3,125,494	3,438,043
8	External Doors	1.00	15.58	250,040	275,043
9	Internal Walls	2.80	43.63	700,111	770,122
10	Internal Screens	0.40	6.23	100,016	110,017
11	Internal Doors	0.50	7.79	125,020	137,522
	Finishes				
12	Wall	0.50	7.79	125,020	137,522
13	Floor	7.20	112.20	1,800,284	1,980,313
14	Ceiling	5.60	87.27	1,400,221	1,540,243
	Fittings				
15	Fitments	5.00	77.92	1,250,198	1,375,217
	Services				
16	Plumbing	3.20	49.87	800,126	880,139
17	Air Conditioning	0.50	7.79	125,020	137,522
18	Fire	1.40	21.82	350,055	385,061
19	Electrical	4.80	74.80	1,200,190	1,320,209
20	Transportation	1.80	28.05	450,071	495,078
21	Site Works	2.60	40.52	650,103	715,113
	Sub Total	**100.00**	**1,558**	**25,003,950**	**27,504,345**
	Consultant Fees	4.55	77.92	1,250,198	1,375,217
	Contingency	6.36	109.09	1,750,277	1,925,304
	Totals		**1,745**	**28,004,424**	**30,804,866**

Central Coast Council

Probity Statement - Committees

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2. Scope and Application 2
3. Governance and Oversight Mechanisms 2
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5. Training and Communication 2
6. Policy Integration 3
7. Monitoring and Breach Management 3

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1. Foundational Principles

This Probity Statement is grounded in the principles outlined by the NSW Independent Commission Against Corruption (ICAC), NSW Ombudsman, and the Local Government Act 1993. These include:

- **Transparency and accountability**
- **Fairness and impartiality**
- **Confidentiality and conflict of interest management**
- **Documented audit trails and decision-making processes**

2. Scope and Application

The probity obligations apply to:

- Councillors
- Council staff
- Committee members (including advisory and non-elected members)
- External advisors and consultants.

This ensures that all individuals involved in committee operations are held to consistent ethical standards.

3. Governance and Oversight Mechanisms

Council's probity oversight is integrated into existing governance structures, being the Code of Conduct, the Procedures for the Administration of the Code of Conduct, and the Public Interest Disclosures Policy.

4. Probity Controls and Procedures

These are included in the Code of Conduct, and the Procedures for the Administration of the Code of Conduct.

5. Training and Communication

Regular training is provided to committee chairs, members and Council officers on:

- Probity principles and obligations
- Conflict of interest scenarios
- Information barriers and confidentiality
- Use of FAQs and holding messages to support consistent communication.

Further training is scheduled 14 October 2025.

6. Policy Integration

The Probity Statement responds to existing council policies and procedures, including:

- Code of Conduct
- Statement of Business Ethics
- Unsolicited Proposals Policy
- Procurement Policy

7. Monitoring and Breach Management

Any breach or suspected breach should be reported to:

- The Mayor
- The Chief Executive Officer
- The Public Officer
- The Disclosures and Investigations Coordinator

Ultimately, reports to Council and, if necessary, external oversight bodies is encouraged.

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Central Coast Council

Fees and Charges Proposed Amendments 2025/26



Fee No.	Fee and Charge	Unit of Measure	Pricing Category	Year 25/26 Fee (excluding GST)	GST Amount	Fee (including GST)	Regulatory Fees and Charges Paid to
6. BOOKINGS – STADIUM AND PARKING							
Gosford City Car Park (formerly Baker Street Parking Station)							
TBC	Fixed Term Contract Parking. (Minimum agreement: 25 Spaces, 12 month term)	Per application	B	By quote (inclusive of GST)			-
TBC	Car Park Advertising - By agreement	Per application	B	By quote (inclusive of GST)			-
Terrigal – Wilson Road Parking Station							
TBC	Car Park Advertising - By agreement	Per application	B	By quote (inclusive of GST)			-
The Entrance - Coral Street Parking Station							
TBC	Car Park Advertising - By agreement	Per application	B	By quote (inclusive of GST)			-

Community Support Grant Program

July 2025 Applications

Recommended for Funding

Organisation Name	Project Summary	Recommendation
Mangrove Mountain District Country Fair	Mangrove Mountain & Districts Country Fair Saturday 18 October 2025	Recommended for part funding. Amount recommended: $2,680.00 for event waste bin hire, toilet hire and reserve hire as per the application budget. Community benefit is demonstrated, and all required information is provided.
Central Coast Hockey Incorporated	Central Coast Indoor Hockey Competition-Venue Hire	Recommended for funding. Amount recommended: $5,000.00. Community benefit is demonstrated, and all required information is provided.
Shelly Beach Surf Life Saving Club Incorporated	External Community Noticeboard	Recommended for funding. Amount recommended: $783.42. Community benefit is demonstrated, and all required information is provided.
Toukley Neighbourhood Centre Incorporated	Yarn Up & Reclaim-A Mental Health Week Program	Recommended for funding. Amount recommended: $5,000.00. Community benefit is demonstrated, and all required information is provided.
Central Coast Fly Rodders Incorporated	Meeting rooms rent support	Recommended for funding. Amount recommended: $616.00. Community benefit is demonstrated, and all required information is provided.
Ourimbah Region Residents Association Incorporated	Public Liability and Hall Hire Subsidy	Recommended for part funding. Amount recommended: $330.00 for hall hire only as per the application budget. Community benefit is demonstrated, and all required information is provided.
	TOTAL	**$14,409.42**

Community Support Grant Program

July 2025 Applications

Not Recommended for Funding

Organisation Name	**Project Summary**	**Recommendation**
Electrify Bouddi Incorporated	Electrify Bouddi Membership Management System	Amount recommended: $0.00. Not recommended for funding due to limited broader community benefit.
Sunnyfield	Cooking Up Life Skills	Amount recommended: $0.00. Not recommended for funding as the project is ineligible as per clause 7.10 of the Community Support Grant Program Guidelines. 7.10 Proposals that are for funding the core business of the organisation.
Central Coast Hockey Incorporated	Installation of amenities	Amount recommended: $0.00. Not recommended for funding as the project is ineligible as per clause 5.7 of the Community Support Grant Program Guidelines. 5.7 MINOR INFRASTRUCURE improvements to enhance accessibility or safety within a neighbour amenity or public spaces.