

Bulk water prices will fall in Greater Sydney

From 1 July 2020, bulk water bills will fall by 8.3% as a result of decisions released today by the Independent Pricing and Regulatory Tribunal (IPART).

Water NSW supplies wholesale bulk water to Sydney Water and three council customers (Wingecarribee Shire, Shoalhaven City and Goulburn Mulwaree) and retail bulk water to 59 end-use customers in Greater Sydney. Water NSW's largest customer is Sydney Water, which accounts for about 99% of Water NSW's bulk water sales.

IPART Chair Dr Paul Paterson said "Bulk water bills will fall by 8.3% from 1 July 2020. When the next dry period occurs, the bulk water usage price will increase to offset the reduction in bulk water sales. The net effect of this is that average bulk water bills and Water NSW's total revenue are expected to be the same in both drought and non-drought periods."

"New prices from 1 July 2020 will allow for \$373 million in capital expenditure by Water NSW over the next four years, a \$93 million increase compared to its capital expenditure over the past four years. However, the effect of higher capital investments on prices has been offset by low interest rates."

IPART highlighted the need for utilities and the NSW Government to undertake co-ordinated long-term planning to ensure we have an affordable, sustainable and secure water supply to cope with climate variability and population growth in the region. The new prices will allow for Water NSW to undertake water and drought planning activities.

"We support improvements to water planning processes in NSW so that water utilities are better prepared to manage current and future challenges. An example of this is Water NSW, Sydney Water and the NSW Government are currently working together to develop a new water strategy for Greater Sydney."

"Overall, we consider that our decisions provide balanced outcomes for Water NSW, its customers in Greater Sydney and the broader community. In these difficult times, the ability to reduce water prices while also ensuring Water NSW has the revenues it will need to provide a safe and secure water supply, and to be financially sustainable, has never been more critical," said Dr Paterson.

IPART's decisions to reduce Water NSW's prices will be passed onto Sydney Water's residential and business customers through an 8.3% reduction in bulk water costs. This reduction in wholesale bulk water costs will result in about a 1% reduction in Sydney Water's customer bills from 1 July 2020. IPART's report on Sydney Water's prices, which are set to fall by 7% from 1 July 2020, is available on its website at [Sydney Water price review summary page](#).

IPART's report on Water NSW Greater Sydney's prices is available on its website at [Water NSW price review summary page](#).

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More information is available at ipart.nsw.gov.au