

Media Release

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Feedback invited on proposed shorter-term WaterNSW prices

The Independent Pricing and Regulatory Tribunal (IPART) is reviewing maximum prices for WaterNSW's bulk water services. IPART has released an Information Paper and seeks feedback on proposed shorter-term prices that will be in place for up to 3 years.

WaterNSW has sought to increase its revenue by 43% over the next 5 years including a 38% increase for Greater Sydney and 53% for regional and rural NSW. This would lead to price increases above what customers have told WaterNSW they can afford.

The Tribunal is not convinced at this stage that the full increases proposed by WaterNSW are sufficiently well justified. Additional information, consultation and analysis are required. However, the current pricing determination for WaterNSW's regional and rural services expires on 30 June 2025 and cannot be extended to allow more time for assessment of WaterNSW's proposed increases.

Tribunal Chair Carmel Donnelly said, "The Tribunal proposes to set shorter-term prices that could be in place for up to 3 years for both Greater Sydney and Rural Valleys. While these prices are in place, IPART will continue further review of WaterNSW's proposed prices for bulk water services in Greater Sydney and regional and rural NSW to inform future pricing decisions."

Shorter-term draft prices for WaterNSW's regional and rural customers would increase by 1.9% plus inflation from 1 July 2025 and then by inflation only on 1 July 2026 and 1 July 2027. For WaterNSW Greater Sydney, where Sydney Water is the main customer, draft maximum bulk water prices would increase by 6.9% plus inflation from 1 October 2025 and then by inflation on 1 July 2026 and 1 July 2027.

"IPART's current review to set the maximum prices for WaterNSW has been complex," said Ms Donnelly. "WaterNSW has proposed a significant increase in revenue, which implies large price increases for customers. Some broader issues have also emerged during the review. WaterNSW indicates the main drivers of the proposed increases are macroeconomic factors and increased requirements which have imposed additional costs. At the same time demand for WaterNSW services is forecast to decrease."

The shorter-term draft prices could be in place until June 2028 but may be replaced earlier if ongoing work by WaterNSW and IPART enables new price determinations earlier. Any new determinations would be made only after IPART issues a draft report, seeks and considers submissions and holds a public hearing.

"Our information paper and WaterNSW's pricing proposal are available on IPART's website. We welcome community feedback via IPART's website until 3 June 2025," Ms Donnelly said. "We are also undertaking financial analysis to ensure the draft shorter-term prices will enable WaterNSW to meet its obligations."

The Tribunal will consider all feedback and release shorter-term pricing decisions in June 2025 for WaterNSW's regional and rural services to take effect from 1 July 2025 and in September 2025 for WaterNSW's Greater Sydney services to take effect from 1 October 2025.

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