

NSW IPART draft report on the review of prices for the Water Administration Ministerial Corporation

1 July 2025



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NSW Independent Pricing and Regulatory Tribunal
2-24 Rawson Place
Sydney NSW 2000

Via email: ipart@ipart.nsw.gov.au

To Whom it May Concern,

Re: Response to NSW IPART draft report on the review of prices for the Water Administration Ministerial Corporation from 1 October 2025 to 30 June 2028

Central NSW Joint Organisation (CNSWJO) speaks with a unified voice for its collective priorities. This region has a proud history of working collaboratively, representing over 180,000 people covering an area of more than 53,000sq kms comprising the local government areas of its membership - Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, Weddin.

Tasked with intergovernmental cooperation, leadership and prioritisation, CNSWJO has consulted with its stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here www.centraljo.nsw.gov.au.

CNSWJO member councils all operate local water utilities (LWUs), so the security, availability and affordability of town water supplies for the communities in Central NSW is core business for the councils in this region and a priority for the CNSWJO Board.

Firstly, thank you for the opportunity to provide feedback on the IPART Draft Report on the maximum prices that the Water Administration Ministerial Corporation (WAMC) can charge customers to provide water planning, management and regulation services.

In a submission to this review by the CNSWJO in December 2024 we voiced our concerns about the capacity of our communities to foot the bill for the ever-increasing raft of regulatory and state agency functions that councils are having to pass on to their rate payers. This is particularly challenging for inland regional and rural councils with relatively small rate bases to provide their communities with town water supplies. Alternate funding models for Local Water Utilities is the subject of an inquiry by the Productivity and Equality Commission with a report released in late 2024.¹

Providing a safe and reliable water supply in the current environment will require additional investment that comes at a significant cost to councils without any additional cost from regulated funded regulation.

¹ https://www.centraljo.nsw.gov.au/content/uploads/241120_Submission-to-IPART-Review-of-WAMC-and-WNSW-Charges.pdf

In our December 2024 submission we also asked that IPART recognise the economic benefits of regional town water as a critical and essential component of the NSW economy. Regional towns provide essential support for agribusiness, mining, tourism, and sustain other essential services such as health, social care and education. Having access to affordable water is critical for the economic vitality of regional and rural towns particularly so they can continue to thrive in the face of population growth and climate change.

The CNSWJO thanks IPART for hearing our message about the impost on our communities of increased charges by WAMC. We support the IPART decision (12 a.) to decrease the user share for W06-05 regional planning and management strategies to 0%.

However, we are now deeply concerned that adequate NSW Government funding is provided to support the modelling and most up-to-date evidence needed to inform the development and implementation of the 20–40-year Regional Water Strategies. This includes the completion of the Fish River-Wywandoo Strategy and, most significantly, work to implement actions from the Macquarie-Castlereagh and Lachlan Strategies.

With lived experience through two droughts and catastrophic floods, water planning and management is of the highest priority for our member councils and their communities. For this reason, the region has committed over five years and untold financial and in-kind support to ensure that town water challenges, particularly water security, are recognised in the Regional Water Strategies and options to address these included.

We continue to work with the NSW Department of Climate Change, Energy, the Environment and Water (DCCEE) on the development of the Fish River-Wywandoo Strategy in the interests of securing town water for human need and to support the sustainable growth of our region.

Most Central NSW towns have been subject to severe town water restrictions with long periods of little or no general security, agricultural water availability and restricted high security water.

The millennium drought, but in particular, the 2017 to 2020 drought, saw the regional centres of Orange and Bathurst come precariously close to running out of water. Towns in the Lachlan Valley were similarly impacted.

In Orange, storage levels dropped to well below 25% and the city faced the real threat of complete failure of its drinking water supply. Level 5 water restrictions were imposed during both droughts affecting both residents and businesses. The introduction of Level 6 water restrictions was a real possibility.²

Modelling undertaken through the 2009 Centroc Water Security Study³ and more recently by the NSW Government as part of the Macquarie-Castlereagh⁴ and Lachlan Regional Water Strategies⁵ demonstrates that not only the Orange water supply system, but other supplies across the CNSWJO region are at some risk under future climate conditions.

This paleoclimate modelling shows that Orange, for example, has an 11.8% (1 in 8 years) probability of experiencing water supply “failure” under a dry future climate change scenario while Bathurst has a 6.3% (1 in 16 years) probability.

² [Regional Water Strategy](#)

³ <https://www.centraljo.nsw.gov.au/content/uploads/2.centroc-water-security-study-component-2-options-paper-rev-1-291009.pdf>

⁴ [Regional Water Strategy](#) page 36

⁵ [Regional Water Strategy](#) page 34

Water management in the Lachlan region is also challenging due to its variable climate and the extensive, low-gradient river system, which is subject to high system losses. Future climate change is predicted to bring more extreme events, warmer temperatures and higher evaporation rates which will stress the system and give it less time to recover. This will also likely bring more variable river flows, impact groundwater recharge and influence water supplies to all water users, including towns and communities, industries and environmental water holders.

Catastrophic flooding has occurred in the Lachlan Valley where it has never occurred before, historic storm intensities are increasing and a whole new flood routing methodology is needed. Homes have been inundated, massive stream-bank erosion has occurred, stock losses are high, and infrastructure damage has resulted in massive costs to the local people, councils, the State and Australian governments.

Orange and Bathurst are expected to grow by 20–34% over the next 20 years. The water supply for both growing cities in the Macquarie Valley underpins the water security of surrounding smaller towns, communities and rural residents during times of drought.⁶

Despite activity by councils, not enough has been done since the last drought to ensure adequate security is in place for towns. Failure of urban water supplies is socially unacceptable and the avoided costs of communities running out of water worth hundreds of billions of dollars to the economy.

Even with recent investments in water, there are still immediate water security risks for regional cities in the Macquarie Valley. If there are no changes to infrastructure, policy, or demand management practices, future droughts could have severe consequences for cities and towns in the region.

In consideration of the above, we look to the Regional Water Strategies to provide much needed solutions to the supply of water for towns, industry, cultural purposes and the environment and to ensure that the right balance between these diverse water needs is met.

Overall, CNSWJO is supportive of IPART's position that W06-05 should be fully government funded in the 2025 determination period. However, given the future challenges in water management it is critical that Government continues to invest in the good work done to date on the Regional Water Strategies and most importantly their implementation.

If you require further information or clarification on comments in this submission, please do not hesitate to contact [REDACTED]

Yours sincerely,

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Central NSW Joint Organisation (CNSWJO)

⁶ [Regional Water Strategy](#) page 36